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ABSTRACT

Designed to help upper elementary education teachers develop economics lessons as part of the social studies program, this curriculum guide introduces fourth, fifth, and sixth grade students to the study of: (1) economic institutions; (2) scarcity; (3) choice and decisionmaking; (4) specialization and exchange; and (5) economic systems. A curriculum guide is included for each grade level, and specific study units are provided that feature: (1) a generalization statement; (2) objectives; (3) strategies; (4) experience; (5) analysis; (6) other learning activities; and (7) an evaluation section. Some units contain an appendix of student-related activity materials, and resource lists are included for each grade level. (JHP)

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ELEMENTARY ECONOMICS

GRADES 4 TO 6

A GUIDE TO CONCEPTS, ACTIVITIES AND RESOURCES

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DISTRICT

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ECONOMIC EDUCATION

1987

SO 019 146

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FOREWARD

ELEMENTARY ECONOMICS is designed to assist teachers in building economics lessons into the social studies curriculum. The concepts are developed in activities which stress reasoning skills. Students at all grade levels need to develop the tools of economics to improve their abilities for functioning as citizens, producers and consumers.

Many thanks are due to the people who cooperated in this project. Special recognition goes to the teachers of the Gresham School District who contributed, reviewed and tested the materials, in particular:

James Asboe	North Gresham Elementary
Judy Daugherty	North Gresham Elementary
Lynda Finnigan	Powell Valley Elementary
Veda Keels	Powell Valley Elementary
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Some of the activities presented here were adapted from other sources for economics education, notably the Joint Council on Economic Education network and the series of Teachers Guide to Economics, Grades 1-5, ed. by Hugh Lovell and Albert Ouchi. We appreciate the efforts of Roger Beam who typed and prepared the manuscript for publication.

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INTRODUCTION

Whether we know it or not, economics is a substantial part of life which teachers make operational through the medium of classroom instruction. Economic knowledge is the "know what" of learning. Economic decision making is the "know how" of instruction. Economic understanding is the "know when" which raises curriculum, staff development and school management to more productive organizational uses. Economics, therefore, makes three significant contributions to education. First, it gives students a way of thinking about the material world. Second, it provides a systematic process for making decisions about that world. Third, it provides a set of skills useful in dealing effectively with the world.

Economics as Social Studies

This guide will feature economics as a part of a larger social studies whole. The purposes of social studies education is to prepare students for today's world. That world has historical, political, economic, social and geographic dimensions. While the social sciences develop these disciplines separately, the social studies is a synthesis of the five taken as a whole. The Economics strand of the social studies deals with the exchange relationships of society. (This definition is used by Kenneth Boulding to separate the exchange relationship of economics from the threat relationship of political science and the integrative relationship of psychology, sociology and anthropology) The five key understandings of economics reflect the historical content, the transactional processes and the geographical practices of the social studies curriculum. These interrelated understandings make up the economic strand of the curriculum. The following economic ideas are developed in each of the 1-6 grade levels of the elementary schools:

1. Economic Institutions: Because institutions are a product of historical evolution they provide a historical backdrop for the study of economics.

2. Scarcity: Much of economic theory deals with the way society has dealt, is dealing or will deal with the scarcity condition.

3. Choice and Decision Making: Scarcity is the basic economic problem. People use alternative choices, opportunity cost analysis, and tradeoffs as tools to resolve scarcity based problems.

4. Specialization: Economics addresses the scarcity problem through the division of labor which leads to increased productivity, surpluses, markets, trade and the institutions that oversee each.

5. Economic System: The economic system is the organized way individuals, groups and institutions deal with exchange and exchangeables.

Economics as Education

Economics is a powerful way of thinking that is particularly appropriate for students, teachers and school systems. Students who make economic choices are thinking about scarce resources. Economizing at a personal level is defined as making choices based on the best use of resources. If students can talk about the choices they make, they are likely to be engaged in critical thinking. Teaching, in turn, is thinking at an interpersonal level. For teachers, teaching is an exchange relationship between them and their students. If students and teachers benefit from the exchange, thinking and instruction become examples of economizing. For schools as a whole, the educational system and the economic system answer the same basic questions. The economic system answers the what, how and for whom questions about production, exchange and investment. The educational system answers the same basic questions about the scope, context and sequence of instruction.

Economics as Instruction

Economics deals with the interaction of resource inputs, economic processes and exchange outcomes. This same input-process-output model applies to education. Instruction deals with the interaction of instructional resources, teaching strategies and behavioral practices. The resources that go into instruction are the time, space and materials that come together as experience or inputs into instruction. Instructional decision making determines how the resources are used. This involves choices and tradeoffs and constitutes the analysis part of instruction. The outcomes of instruction are the knowledge, values and skills of students. These become observable when students are asked to apply their learning to new situations.

The experience, analysis and application (other activities) format of the guides is designed to replicate the input process and output sequences of the economy. When teachers read their students, they are involved in the experience sequence. When teachers see a problem and "flex", they are involved in the analysis sequence. When teachers act, they should be applying the appropriate strategy to the situation

they face. At this point, economizing and instruction are the same.

The teaching strategies of the guide are designed into the structure of the various learning activities. The experience, analysis and application components take the students through the thinking, learning and acting phases of instruction. The experience segments will build on the students entering behavior because they are grounded in the economic institutions students experience every day. The analysis section is based on concept learning and behavioral analysis. The application sections involve simulations, problems and prospects that relate economic understanding to the students' world.

The Goals of the Program

The principles of economics can be used to manage instruction. Curriculum goals will suggest what knowledge, attitudes and skills are most worth learning. By the end of the program, students will be able to:

1. Use the knowledge and processes of economic history as a way of looking at people, events, ideas, technology and institutions which have interacted over time.

2. Deal with the exchange realtionship defined historically and geographically as the significant economic interactions that have shaped the world.

3. Evaluate choices and decisions based on scholarly, public and personal values which define and characterize the personal, social and organizational roles students fill in society.

4. Employ management skills to processs experience, to analyze problems and to integrate economic perspectives into the behavioral patterns required of global citizenship.

5. Use the knowledge, processes and practices of economics as a way of dealing with the places, events, ideas, technology and institutions which interact in space.

How to Use the Program

There is a structure in the way the program is organized. The major organizational pattern is thematic where institutions, scarcity, problem solving, specialization and systems are repeated each year of the program. These themes

are interrelated, but they are repeated in enough grades so that individual activities can be taught in any way the teacher chooses. The experience, analysis and application (other activities) lessons within each activity are related, but again, not in a way that would limit when they are taught. The application activities reflect different levels of abstraction and difficulty. These should be matched to the ability levels of students. In the intermediate guide, there is a description of the activities which relate to the subject matter expectations of 4th, 5th and 6th grade students.

The program is designed to supplement the teachers existing Social Studies curricula. If more than one grade level of a school uses the program, the teachers should coordinate its use across the grade levels involved. There are no established time limits for the various activities and lessons of the program.

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SUPPLEMENTAL RESOURCES

GRADE FOUR

XXXXXXXXXXXXXXXXXXX ECONOMIC INSTITUTIONS XXXXXXXXXXXXXXXXXXXX

PATTERNS IN HUMAN HISTORY
(People, Society. Culture)

GENERALIZATION:

Every society has different resources and different ways of deciding how to use them.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. understand that the available resources influence the way people live,
2. formulate questions about material objects from the past and present,
3. compare diverse economies.

STRATEGIES:

EXPERIENCE (Aracheological Dig--Then and Now)

Materials: four wastepaper baskets filled with artifacts representing current society, the fur traders, pioneers and Indians, respectively.

Vocabulary:

division of labor--dividing a job into tasks with different people doing each task

economy--the organizational pattern of society for purposes of production, distribution and consumption.

Prepare for several simulated archaeological digs by placing into waste paper baskets selected objects that reflect our current culture, the fur traders, pioneers, and Indian cultures. These can be consumer or producer goods. They might relate to food, clothing, housing or transportation. They could be personal possessions, household articles or school related materials. If items are lacking, use pictures. You might give some thought to putting the oldest or heaviest material on the bottom.

Explain to students that they are going to assume the role of archaeologists, and take part in discovering a hitherto unknown culture. Prior to starting the dig, set the following conditions:

* You are scientists, so how might you treat these artifacts?
* What questions might you pose prior to starting to dig?
* How will you organize and keep track of what you find and in what order?

After completing the dig, have students make hypotheses about the culture that generated the "garbage". (This is what most archaeologists explore in their work.) Have students compare cultures by asking:

a. Did everyone eat the same food?
b. Did people eat different things at different times of the year?
c. How did they make tools?
d. How did they get food, clothes?
e. What resources did societies have?
f. How did they decide what resources to use for which purpose?
g. Did people divide up tasks? Did the division of labor help people to produce more?
h. How did they decide who received the goods produced?

ANALYSIS (The Earliest Americans)

Materials: "In the New World" reading (See Appendix I), paper for murals.

Vocabulary:

rate of economic change--how fast economies change their patterns of production, distribution or consumption.

Have students read IN THE NEW WORLD. Continue with a discussion of the traditional Indian economy on to the present day market economy.

Make a chart like that below to contrast the traditional Indian economy with the present day market economy.

TOPIC	INDIANS	AMERICANS TODAY
Occupation	I will be chief because my father was chief.	I will be a carpenter because the pay is good.
Ways of producing things	We must use the old ways or the gods will be angry.	We will try a new way if it is better and cheaper.
Use of land	We will hunt and fish where our fathers and grandfathers used to hunt and fish.	If the land is more valuable for factories or houses, we will build factories or houses instead of using it for farming.

Next, draw a mural presenting the slow growth of the Indian economy by showing (a) foot transportation, (b) the use of dogs, and (c) the eventual use of horses. How did these changes affect the life of the Indians?

For additional reinforcement, you could contrast the rate of economic change in the Indian village and in a pioneer town. Build two models: an Indian village and a pioneer town on the same table. Stress details such as roads and trails, cooking utensils, auxiliary buildings, methods of transportation. Be sure to establish a time period for each village.

Make changes for each village to reflect improvements after fifty or one hundred years. The pioneer town should show growth in size as well as in the goods and services available. The Indian village would show little change in size and little if any change in the way of life.

APPENDIX I

In the New World

(The Earliest Americans)

At certain periods in the past, herds of grazing animals such as musk, ox, caribou and the Ice Age elephants, the mastodon and mammoth, could wander freely eastward from Asia into North America. The Bering Straits, narrow and shallow where they separate the two continents, were dry land at times during the glacial period or, in addition, were frequently frozen over. Much later toward the end of this period of glaciation, somewhere between twenty and forty thousand years ago, another animal, human beings, Homo sapiens, followed these wandering herds into the New World. Animals seeking pasture along with the ultimate predator, human beings, seeking the grazers as prey in their hunting, all could pass from one continent into the other. In fact, the findings of fossil bones and human implements in Canada indicate that an ice-free corridor extended from Alaska into the United States and permitted the relatively easy passage of early humans into the New World.

The clearest evidence of human hunting of elephants in the New World is found in the southwest of the United States. In New Mexico, northern Arizona, Colorado and Texas, archeologists have found evidence of a hunting-based culture known as the Clovis. The stone spear-heads Clovis people used to hunt large animals have very distinctive shapes, fortunately for the archeologist. Mammoth bones have been found with Clovis points still embedded in them. This evidence of elephant hunting eleven to twelve thousand years ago may be expanded as time passes, but it is the best we have at the present.

A pre-bow-and-arrow culture development from the same area, called the Folsom complex, also has a very distinctive darthead with a fluted point. In spite of its being almost as ancient as the Clovis complex, no evidence of the elephant hunting has been found at Folsom sites. The evidence suggests that the Clovis were a people of mammoth-hunters while the Folsom relied upon an extinct giant bison for their sustenance. By the Folsom time, perhaps, the elephants, as well as horses, camels and many other species of late Glacial Age mammals had disappeared via extinction.

In the beginning, humans wandered in order to live. It was only thus, going from place to place, that they were able to find food, both animal and vegetable, to sustain themselves. In time, however, they learned to plant seed and tame animals, and when this happened they settled down and what we call civilization began.

* "Elephants Through Time", Washington Park Zoo, 1984.

OTHER ACTIVITIES

Materials: cave painting or bulletin board

A. Obtain a copy of a cave painting such as the ones found in Spain. Show the students the picture and allow them to figure out where the picture came from by asking questions in the manner of 20 Questions. Once they have figured out where the painting was done, have them start making some deductions about the kinds of people based on the picture and on what they may already know about the area from which it comes. Lead the discussion with such questions as the following:

What did these people do for a living?
What kind of resources were available?
What do you think they ate?
Did each person make his/her own tools?
What kind of choices did they have to make?
How did they make choices?
How do the Indians we've studied compare to these people?

As a follow-up, have the students become cave artists representing the different Indian economies across the country. Have them design a cave drawing which would give people from other times and places some idea of their economy, such as food source, method of travel, etc.

- OR -

B. Visit the Zoo and the Elephant Museum Exhibit to see how Native Americans lived and interacted with the mastodon. Students might compare Indian diets and the different cultures associated with Salmon, bison and roots and berries.

- OR -

C. Have the class prepare a cultural bulletin board and focus on the Indian attitude toward the environment, the food they eat, the animals they hunt, and the religious beliefs they share. Make a contrasting bulletin board for the pioneers.

EVALUATION:

The students should be able to explain that economies have differed through time reflecting different resource availability and different ways of making choices.

GRADE FOUR

XXXXXXXXXXXXXXXXXXXXXXXXXXXX SCARCITY XXXXXXXXXXXXXXXXXXXXXXXXXX

SETTLEMENT PATTERNS
(Physical and Human Environment)

GENERALIZATION:

Each successive pioneering group used natural and human resources in different ways resulting in different settlement patterns.

OBJECTIVES:

By the conclusion of the activity, students should be able to:

1. relate various patterns of human settlements to economic resources of the New World and to the changing values of the people sponsoring and making the settlements,

2. describe how changing economic realities influence decisions in time and space,

3. categorize economic resources common to geographic regions and periods of American history.

STRATEGIES:

EXPERIENCE (Indians v. Settlers)

Vocabulary:

demand--the desire, willingness and ability to buy a good or service

scarcity--when supply is not sufficient to meet demand

supply--quantities of a good or service for sale

Draw a circle on the blackboard. Have students write different wants of the Indians inside the circle. As the circle is filled, enlarge it and add more wants. Do a third time, then stop. Do the same procedure for wants of mountain men.

Discuss the circle by asking:

a. what wants are similar? dissimilar?
b. could the circle be expanded further with wants?
c. which of the wants represent natural resources and which would require labor to produce?
d. would capital goods be necessary to produce any of the wants?
e. was it possible to supply all that was demanded?
f. were some demands easier to supply than others? why?

Finally, discuss why things which are scarce in one society may not be as scarce in another. For example, clean water was abundant for mountain men but is less available in our modern society, and meat was more difficult for an Indian to obtain than for modern society.

ANALYSIS (Trading Post Simulation)

Materials: items to simulate a trading post, "The Trading Post" script and Market Price Sheet (See Appendix II)

Vocabulary:

price--the amount of money a good or service costs

rent--the price paid for space or income from allowing others to use your property

profit--income which results from selling goods and services for more than their cost.

Set up the classroom to simulate a trading post. Distribute a copy of the MARKET PRICE SHEET to all students and tell them to listen carefully to the play so they can fill in the blanks after the play.

Choose 7 members of the class to be in the play. Give them copies of the SCRIPT and let them rehearse. After the performance, divide the class into groups of 4 or 5 with at least one of the cast (with script) assigned to each group.

Have students guess what the missing two headings for the last two columns should be on the Market Price sheet and label them. Then have students fill in the blanks. Finally, discuss the worksheets, asking these questions:

a. Who are the producers and consumers in the play? (John is the producer. The rest are consumers)
b. How, according to the play, are prices set? (price is set where the quantity offered for sale is equal to the quantity buyers will purchase).
c. What happened when John wanted to sell his lemonade at 50 cents a cup? At 25 cents a cup? Why didn't John find 20 cents a cup acceptable?
d. What did Tom, Martha, and Georgia give up to buy lemonade? (The opportunity to buy something else)
e. Is the trading post a marketplace? (Yes)
f. How did your group decide what price John should charge?
g. How did your group decide the number of days it will take John to reach his goal?
h. What were John's profits? At what price are profits the greatest?
i. What is the marketprice for the lemonade? (25 cents)
j. What are John's costs? (lemons, sugar, cups and store rent). How is his profit calculated?
k. Why do prices exist? (because there is scarcity. Prices ration scarce resources making these available only to those who pay for them)

APPENDIX II

THE TRADING POST

CHARACTERS: John, Tom, Martha, Georgie and three other customers.

Setting: A trading post

Martha: Howdy John
John: Good day Martha. How about some fresh squeezed lemonade I have for sale?
Martha: A new product for sale! How much?
John: Fifty cents a cup.
Martha: Fifty cents a cup! Are you crazy, John? I can get a sasparilla for 30 cents in the saloon.
John: But Martha, I need a new saddle for my horse and it costs a fortune - $39. I only have $15. I've got to earn more money.
Martha: I don't think you'll sell much lemonade at fifty cents a cup.
John: I've got to get the money so I'm starting today to sell lemonade to get it.

ENTER GEORGIE

Georgie: What's new?
Martha: John's selling lemonade, Georgie but it costs too much for me to buy.
Georgie: how much is it?
John: Fifty cents a cup is what I said, but maybe it is too much. How much will you pay for one cup, Martha?
Martha: I might give you 30 cents a cup since it's for your horse.
Georgie: I have only 10 cents in my pocket
John: Georgie, that's not enough. I have to pay for the lemon, sugar, cups and rent on my store.
Georgie: Here comes some more customers. Maybe they'll pay you 50 cents a cup for your lemonade.

ENTER TOM and other customers

Tom: Howdy, John! Are you selling lemonade?
John: Yes, Tom, would you like to buy some? It's really good!
Tom: How much?
John: I haven't decided on a price yet...Maybe you and the others can help. How many would pay 50 cents a cup each day for my lemonade? (NO ONE RAISES A HAND)
John: (Pause) Hmmm. None. How many would pay 40 cents a cup? (PAUSE; TOM RAISES HIS HAND)
John: Oh boy! Just one! How many would pay 30 cents? (TOM AND MARTHA RAISE THEIR HANDS)
John: One, two. How many would pay 25 cents a cup each day? (EVERYONE EXCEPT JOHN RAISES A HAND)

John: One, two, three, four, five, six! Thanks everyone! I'm glad of that! At 20 cents a cup, I would not supply any. Each cup costs me 21 cents and I would lose money. Please come back in half an hour. Some friends of mine are going to find out how much I should charge for my lemonade. (EXIT ALL).

APPENDIX II

MARKET PRICE SHEET

Name _____ Date _____

Cost of the saddle $ _____

Amount John saved $ _____ Needed $ _____

Possible lemonade prices (per cup)	How many people will buy?	Therefore, how many will John supply?	Cost of making lemonade (per cup)		
50¢					
40¢					
30¢					
25¢					
20¢					

John should sell each cup of lemonade for _____.

If John could sell _____ cups of lemonade at the above price every day,

it would take him _____ days to save enough money to pay for the saddle.

TEACHER'S MARKET PRICE SHEET

Name _____ Date _____

Cost of the saddle $ 39.00
Amount John saved $ 15.00 Needed $ 24.00

Possible lemonade prices (per cup)	How many people will buy?	Therefore, how many will John supply?	Cost of making lemonade (per cup)	Profit (per cup)	Total Profit
50¢	0	0	21¢	0	0
40¢	1	1	21¢	19¢	19¢
30¢	2	2	21¢	9¢	18¢
25¢	6	6	21¢	4¢	24¢
20¢	-	Gerry refuses to supply	21¢	-	-

John should sell each cup of lemonade for 25¢.
If John could sell 6 cups of lemonade at the above price every day, it would take him 100 days to save enough money to pay for the saddle.

APPENDIX II

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OTHER ACTIVITIES

A. Technology and Culture
Have students make charts which compare modern society and the Indians. List goods and services the Indians used which modern society does not use widely. List goods and services modern society uses which the Indians did not use. Discuss the differences. Why is the price of venison in modern society so high?

- OR -

B. Patterns of Resource Allocation
Discuss with students various ways to ration scarce resources. Compare ways the Indians decided who should get products and ways we decide today?

- OR -

C. Simulating Supply and Demand
Have the class write its own play about a sale at the trading post. Have them include reasons for reducing prices on some items but not on others. Include ways to design sale signs to attract customers (increase demand).

EVALUATION:

Students will understand that price is a rationing device for scarce resources and is the result of supply and demand. They will know by studying different economies historically that products scarce in one culture may not be scarce or as scarce in another.

GRADE FOUR

XXXXXXXXXXXXXXXXXXXXXXXX DECISION MAKING XXXXXXXXXXXXXXXXXXXXXXXX

COMMUNITY MEETING
(Government Production and Taxes)

GENERALIZATION:

Government specializes in production and exchange activities which satisfy public wants and in turn pays for those goods and services with tax revenues.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. define a major role of government as providing public goods and services,
2. explain why people might differ on solutions to economic problems,
3. use a meeting format to deal with economic controversy.

STRATEGIES:

EXPERIENCE (Create Bounty Meeting)

Materials: class set up for a community meeting

Vocabulary:

bounty--a payment to encourage some activity

tax--compulsory money payments to government - three major types are income, property and sales.

Scenario: (read the following situation to students).

Wolfe Bounty Meeting

In 1845 the problem of wolves attacking the livestock had become so bad that the settlers in the Willamette Valley called a meeting to discuss this. It was proposed that a bounty be paid for every wolf killed. It was generally agreed that this common practice would be a good solution. But then the question of how to raise the money to pay the bounty had to be decided.

Roles: (have students role play the following positions in a pioneer meeting).

"Let those who are attacked kill their own wolves."

"Let people voluntarily contribute to the bounty fund."

"Why should I contribute? I live in town and wolves don't bother me."

"Why should I contribute? If everyone else does, the wolves will be killed and I will be safe."

"Everyone is threatened by wolves. Everyone must contribute whether they want to or not! Otherwise there won't be enough money to pay the bounty and to get rid of the wolves."

"Some of us can afford more than others. Let those who can afford more pay the larger share."

Rules:

Ask students to establish rules of the meeting so everyone can express their opinion. Students can select the positions they agree with most. During the discussion students should explain the reasons for the opinions provided. After the discussion, the class should vote to determine how the pioneers should pay to solve the problem.

Discussion: (pose the following questions).

a. Were the procedures you established to conduct the meeting adequate?
b. Do people have similar problems today?
c. Was the agreement (solution) fair? Some of the solutions offered might be:

Everyone in Oregon pays.
Everyone with animals pays, others may contribute.
Take contributions .
Base the amount paid on the person's income.
Maybe valuables could be given instead of money.
Have a livestock auction to raise money.
Everyone pays because everyone uses the products, either directly or indirectly.
Build fences instead of putting a bounty on the animals.
Use half the money for fences for immediate protection and half for bounties as a long range deterrent.

Finally, consider the wolf-meetings from the standpoint of taxation and government spending. Draw diagrams comparing the wolf tax and bounty with other taxes and other types of government spending, such as in the chart below..

TYPE OF TAX	COLLECTED BY	PAID BY	USED FOR
Wolf Tax	Local committee	All	Bounty for killers of wolves
Property Tax	State and county governments	Property owners	Roads, schools, policemen, firemen
Gasoline Tax	State and federal governments	Motorists and trucking companies	Highway Construction and maintenance, other purposes

ANALYSIS (Present-Pilgrim-Indian)

Materials: "Skookum's Dilemma", "To Trade or Not to Trade" and "The Pilgrims - Economic Choice" (See Appendix III)

Vocabulary:

government budget--a statement listing revenues and expenditures for the government

government expenditure--money paid for goods or services

government revenue--income received from taxes

Distribute copies of SKOOKUM'S DILEMMA to the class.

Ask the students to discuss how a city government raises taxes. Ask the students to list goods and services which a city might want. Decide how much income the city of Skookum might get from taxes this year. Decide what goods and services the city of Skookum might want to purchase this year.

As a class, fill in the amount of taxes the class decided the city of Skookum would collect this year.
Identify the problem.
Identify any goals in conflict.
Consider the alternative courses of action and costs and benefits of each.
Discuss the opportunity costs associated with each solution.

Fill in SKOOKUM'S DILEMMA as a class or in groups. See if the students can make the following generalizations:
Scarcity exists when wants are greater than income.
Choices for goods and services must be made when wants are greater than income.
There is an "opportunity cost" for each item purchased.

To illustate that decision-making has been an historical process, reinforce the above activity by passing out copies of TO TRADE OR NOT TO TRADE to one-half of the class and THE PILGRIMS ECONOMIC CHOICE to the other half. Have each half of the class work through the reading, choose a spokesperson and report to the class on their reading and findings.

Appendix III

"Skookum's Dilemma"

The city of Skookum collects property and business taxes from its residents and businesses. This year, the city has collected _____ in taxes. The city must pay _____ to maintain existing programs(fire and police protection, water, city salaries).

Skookum would like to purchase the following goods and services:

Goods or services	Cost
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Does Skookum have a problem?
Use the outline which follows to help solve the problem.

I. Identify the problem.

II. Identify goals and values which are in conflict.

III. Consider several courses of action and analyze the costs and benefits of each.

IV. Decide on one or more alternatives that best solves Skookum's dilemma.

Appendix III

"Skookum's Dilemma"

The city of Skookum collects property and business taxes from its residents and businesses. This year, the city has collected $3,000,000 in taxes. The city must pay $1,300,000 to maintain existing programs(fire and police protection, water, city salaries).

Skookum would like to purchase the following goods and services:

Goods or services	Cost
A new library	$750,000.00
A fire engine	85,000.00
A snow plow	60,000.00
A policeman	25,000.00
A city swimming pool	100.000.00
Trees for the mall	15,000.00
An additional librarian	21,000.00
A sewage treatment plant	800,000.00
A new City Hall	1,100,000.00
A new section of road	40,000.00

Does Skookum have a problem?
Use the outline which follows to help solve the problem.

I. Identify the problem.

II. Identify goals and values which are in conflict.

III. Consider several courses of action and analyze the costs and benefits of each.

IV. Decide on one or more alternatives that best solves Skookum's dilemma.

APPENDIX III

To Trade or Not To Trade*

From the beginning, Indian-White contact was a disaster for the Indians. Even before face-to-face contact, the ravages of Old World diseases killed high numbers of the Indian people. Missionaries and frontier settlement of Indian land involved severe cultural disruption. The fur trade added to this disruption because it upset the traditional balance between a culture and the physical environment that supported it. Why did Indians support the fur trade when it was based on the destruction of fur and game resources? Why was the Indian the principal agent in over-hunting furbearing animals? Why did the Indians engage in trade practices that destroyed them and their culture?

I. Identify the problem.

II. Identify the goals and values that are in conflict.

III. Consider several alternative courses of action and analyse the costs and benefits of each.

IV. Decide on one or more of the alternatives that best fulfills the goals and values.

*Adapted from Keepers of the Game, Calvin Martin, The University of California Press, 1978.

Appendix III

The Pilgrims: Economic Choice *

From the beginning, the Pilgrims were faced by the need to make economic choices. Once they were settled at Plymouth, they were very much afraid of Indian attack, yet they did not dare take the time and lumber needed to build a fort. It was December. They needed shelter from cold rain and snow. They could not allow themselves the luxury of a fort to secure the settlement against possible future attack. When spring came their greatest need was to plant corn so that there would be food for the next winter. There was also game in the forest which could give them meat. But men could not hunt and plant and hoe corn at the same time. That first spring the Pilgrims caught many herring in the fish traps Squanto had shown them how to build in the stream. Even though they were hungry, the Pilgrims could not eat all the fish they caught or salt them all to keep them for winter food. Some fish had to be used to fertilize the corn planting. They tended the corn carefully, and in the summer there was a nice crop. Again, the Pilgrims knew that they could eat only part of their harvest. They had to store some corn for winter food, and save some to use as seed the next spring.

The Pilgrims faced a problem.

Use the outline which follows to help them deal with the problem.

I. Identify the problem.

II. Identify the goals and values that are in conflict.

III. Consider several alternative courses of action and analyze the costs and benefits of each

IV. Decide on one or more of the alternatives that best fulfills the goals and values.

*From Economics Reading for Students of Eighth Grade United States History, the Pittsburgh Public Schools, 1966,p. 6.

OTHER ACTIVITIES

Materials: outline map of Northwest Territory around 1859

A. Different Kinds of Taxes
Generally, the amount of taxes people pay is based on the income they earn, the value of property they own or rent, or on the amount or value of the goods and services they purchase. Have students discuss the people who benefit or are hurt by the following:

Type of Tax	People Helped	People Hurt
I. Income Tax		
II. Property Tax		
III. Sales Tax		

- OR -

B. Why Government Developed in the Northwest
Fill in an outline map of the Northwest Territory for the period around 1859. Show the main settlements in Oregon and indicate the areas with the greatest population density. From this map discuss problems which might call for government action. Ask the children why individual settlers might not be able to handle these things for themselves.

Consider such issues as....
Defense (from wolves, Indians)
Roads, bridges, lighthouses, etc.
Schools and colleges
Law, order, and justice
Sanitation, pure drinking water
Fire protection

- OR -

C. Classroom Meeting and Problem Solving
Select an economic topic for the focus of your next class meeting. Be sure it's an issue of scarcity. Make the way students process the issue just as important as the

solution they develop. For example, you might decide what funds are available for a class party. Brainstorm about what refreshments students might want to have. Prizes and games could also be included. List wants and approximate prices on a wants/prices chart. (This activity could be combined with a newspaper activity where students look up prices in weekly grocery ads. It also could be a two session activity where committees could be set up to check store prices before making a final decision about purchases.)

List most-wanted items on the board, chosen by vote of the class. List prices of each most-wanted item.

Use economic choice-making to decide which items the class can afford to purchase for the party. Discuss the opportunity cost of the items the class has decided to purchase. Discuss how and who should pay for the party.

EVALUATION:

Students should recognize that government can perform some economic activities on behalf of the community better than the private sector. They should want the taxes that pay for public goods and services to be fair, but should recognize that there are differences of opinion about most economic issues.

GRADE FOUR

XXXXXXXXXXXXXXXXX SPECIALIZATION AND EXCHANGE XXXXXXXXXXXXXXXXXXX

BARTER AND EXCHANGE
(Markets, Money, Trade)

GENERALIZATION:

Specialization requires exchange because one person cannot produce all of what he/she consumes.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. compare and contrast barter and money exchange,
2. understand how valued things from one culture are exchanged for things of another culture,
3. see the value of money as a medium of exchange.

STRATEGIES:

EXPERIENCE (The Use of Wampum in Trade)

Materials: Trader Cards, Indian Cards, Wampum Cards (See Appendix IV)

Vocabulary:

barter--exchanging one good or service for another good or service

medium of exchange--item or items acceptable in exchange for goods and services

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Pass out TRADER - INDIAN CARDS. Ask students to tell you which "you have" card belongs to the Indian category and to the Trader category. Ask students to explain their choice.

Divide the class into two groups (Traders/Indians).
Each trader holds a You Want card of a fur-bearing animal and a You Have card of an item of Trade Goods.
Each Indian holds a You Want card of an item of Trade Goods and a You Have card of a fur-bearing animal.
Traders and Indians exchange (barter) cards until all participants hold matching You Have and You Want cards.

At the conclusion of the trading session, pose the following questions:

a. How many transactions did it take to obtain the card you needed?
b. Do you think Traders always made one-for-one exchanges?
c. What might happen if all the Indians wanted the same item of trade goods?
d. What might happen if all the Traders wanted the same type of fur?
e. What could make trading easier?

Repeat the trading process for a second time, this time providing each Indian with a WAMPUM CARD. Tell them wampum is acceptable in exchange for any good or service. It is like our dollars.

Repeat the discussion using the same questions. Make sure students understand "wampum" is the easier medium of exchange.

Finally, ask the students, why did the Indians use "wampum" for money? Why didn't they use something else instead--dugout canoes, arrowheads, fresh salmon or berries, salt, sugar? Bring out the idea that the best money (a) can be divided up, so that it can be used to buy cheap things as well as expensive ones; (b) doesn't spoil, so that someone who accepts it today can use it to buy something next week or next month.

You Want

Wolf Pelt

You Want

Wildcat Pelt

You Want

Deer Skin

You Want

Bear Skin

You Have

Wolf Pelt

You Have

Wildcat Pelt

You Have

Deer Skin

You Have

Bear Skin

You Want

Muskrat Pelt

You Want

Beaver Pelt

You Want

Otter Pelt

You Want

Mink Pelt

You Have

You Have

You Have

Beaver Pelt

You Have

Muskrat Pelt

You Want

Fox Pelt

You Want

Iron Pot

You Want

Axe

You Want

Knife

You Have

Knife

You Have

Axe

You Have

Iron Pot

You Have

Fox Pelt

You Have

Mirror

You Want

Medallion

You Have

Cloth

You Have

Beads

You Want

Mirror

You Have

Medallion

You Want

Cloth

You Want

Beads

You Want

Blanket

You Want

Tobacco

You Want

Fishhook

You Want

Ermine Pelt

You Have

Blanket

You Have

Tobacco

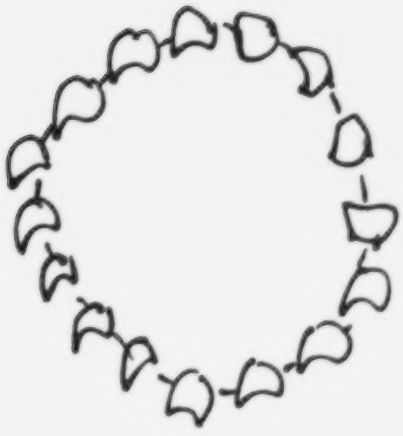
You Have

Fishhook

You Have

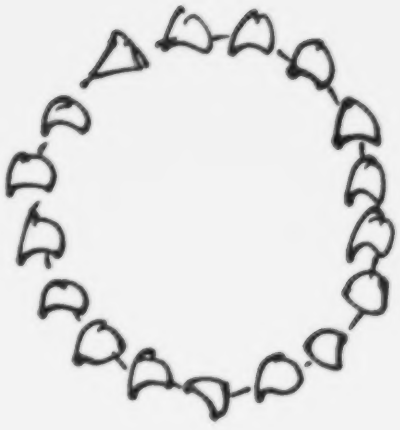
Ermine Pelt

COWRY



SHELLS

COWRY



SHELLS

COWRY

SHELLS

COWRY

SHELLS

ANALYSIS (Choosing to Invest, Now--Then)

Materials: "Jennifer and Johnny's Gift of Choice" (See Appendix V)

Vocabulary:

interest--the reward for lending money. To a borrower it is a cost.

investment--skills, tools, machinery, equipment bought to produce a good or service to sell.

store of value--to save

Ask students what they would do with the money if you gave them a quarter, a dollar, five dollars. Continue discussions until you get responses that cover consumption, saving and investing. Be careful to distinguish the economist meaning of investment (tools, etc bought to produce products to sell) from the lay person's (to purchase stocks and bonds).

Discuss with them the difference in saving money in a jar at home with saving money by placing it in a bank or other financial institution. (You get interest in the latter case. The bank lends these savings to other people who invest them. The investors pay the bank for use of the savings, and part of this payment is what the bank uses to pay savers interest.) Discuss the meaning of investment.

Read to the students (or have volunteers read aloud) JENNIFER AND JOHNNY'S GIFT OF CHOICE.

After the case study is read, ask the following questions:

a. Why did the twins' parents call the $10 for each child a gift of choice?

b. What investment did Johnny and Jennifer choose to make. (They bought buckets, sponges, a squeegee, and towels to run a car-wash business.)

c. What made the car-wash business and the necessary equipment an investment? (The twins gave up the opportunity to get immediate satisfaction by buying a game or other things for their ninth birthday. They bought equipment to clean cars instead so that they could earn additional money and get more satisfaction in the future.)

d. What idea did Jennifer have in the beginning for

investing their money? (To invest in strong leashes and dog collars with which to start a dog-walking business.)

e. What idea did Johnny have? (To invest in a wagon in which to carry heavy bundles for people who went shopping.)

f. What kinds of economic resources do Jennifer and Johnny use in this story? (The equipment is a capital resource; the water in the bucket is a natural resource; Jennifer and Johnny's labor is a human resource.)

g. Did Jennifer and Johnny's resources "cost" them anything? (The equipment "cost" them $20, which they could have used for something else. Their labor "cost" them the earnings they could have received for doing some other chore or the pleasure of using the time to play games, for example.)

h. Why did Johnny and Jennifer start a business? (To earn additional money to buy the skates they wanted.)

i. How much profit did they make from the gift of $20? ($10) Here is how to calculate the profit:

* They received $45 in their business venture.
* They had to spend $20 on equipment.
* They paid themselves wages of $15.
* That left them $10 in profit.

j. What do you think Johnny and Jennifer should do with the "extra" $5 left over after they buy two pairs of skates for $40.

k. Do you think Jennifer and Johnny had "good feelings" about their business? Why?

Extend the students knowledge of investment by asking what types of investment did the Indians do, the mountain men and the pioneers. Emphasize that investing involves a wait for consumption. When the Indians decided to invest (make) a fishing net, they had less food to eat but when it was finished they had more.

JENNIFER AND JOHNNY'S GIFT OF CHOICE

Jennifer and Johnny are twins. As they blew out the candles on their twin birthday cakes, the sounds of their guests' happy voices mixed with the roar of automobiles, buses, and trucks outside the open window. Jennifer and Johnny had just turned nine years old. They couldn't wait to open their presents! Perhaps they would get the skates they wanted.

At last the time came to find out what their parents were giving them. You can imagine how surprised the twins were when they each received a card—and that's all! Jennifer opened the card and Johnny read it aloud. It said,

> Dear Jennifer and Johnny,
>
> You are nine years old today. Because we think you are old enough, we are giving you the gift of "choice" for this birthday. Each of you will receive ten dollars. You may use this money to buy gifts for yourselves now, or you may choose to invest this money so that later you may be able to buy even more. We are giving you a chance to use this money now in a way that will give you more money later. You must, however, be willing to wait a while.
>
> Happy Birthday!

Johnny and Jennifer were disappointed with this present. They knew that $10 apiece was not enough to buy the skates that each wanted. The skates cost $20 a pair.

That evening Johnny and Jennifer had a meeting. If they put the $10 each had received together, they'd have $20 to spend or invest. They decided to invest their money. But in what could they invest? Jennifer wanted to use the money to start a business of walking dogs for their neighbors. They could invest their money in strong dog leashes and collars and even have some money left over. Johnny thought it might be more fun to invest their money in a shiny red wagon. They could use the wagon to carry heavy bundles for people who went shopping. Jennifer thought that would be too hard.

Just then, they heard the honking of an automobile horn outside their window. That gave Jennifer an idea. They would start a car-washing business! It would be open every Saturday. The $20 they had to invest could pay for two big buckets to hold the water, four large sponges, a squeegee, and towels. They would pay themselves a wage of 50 cents each for every car they washed. They could ask their parents for permission to use the hose and part of the driveway for washing the cars.

Johnny and Jennifer were very excited. When they told others what their choice was, everyone thought that if there was no rain, a car-washing business might be a good investment. Within a few days, the twins pur-

From *Children in the Marketplace: Lesson Plans in Economics for Grades 3 and 4* (1986). Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016. (212) 685-5499.

chased all the equipment they needed. They had just enough money to pay for it all. Jennifer made a big sign that said TWIN CAR WASH—DRIVE IN AND GET YOUR CAR DOUBLE CLEAN. $3 A CAR!

Two weeks went by and the Saturday for the car wash arrived. The twins were happy because the day was bright and sunny. Jennifer and Johnny put on their work clothes and ate a big breakfast. They wanted to be strong and healthy for all the work ahead. After breakfast, they picked up the equipment in which they had invested and opened their business. Soon their first customer drove in the driveway. Jennifer and Johnny's car-wash business was underway.

After working for three Saturdays, the twins had washed 15 cars. Their arms ached at the end of each workday, but they were proud of their accomplishment. Their investment in equipment to start a car-wash business had been a good decision.

At the end of three weeks, Johnny and Jennifer sat down and talked about their ninth birthday. They remembered how they weren't very happy when they received the $20 instead of the skates. Now they were laughing.

It was a good feeling to know that now they could buy the skates they wanted. It was worth the wait. At $3 per car times the 15 cars they washed, Johnny and Jennifer now had $45. They could buy the skates and more!

OTHER ACTIVITIES

A. Visit by a Banker
Invite a banker or businessperson to class to discuss saving and investment decisions. Get students involved with the school savings program.

- OR -

B. Barter to Money--a History
Work up a bulletin board with the title, "Barter to Money." Show a progression of events from the trading between explorers and Indians and fur traders and Indians, to a picture or sketch of the Beaver Coin Mint at Oregon City, to the modern use of paper money or of checks.

- OR -

C. An Indian Barter Fair
Have students plan a barter fair at which different tribes of Indians gather to exchange things. After students have studied different tribes to find out their needs and resources, have them decide what each tribe will take to the fair and what they hope to get at the fair. They could map the route to take to the fair emphasizing the type of transportation and food en route. Discuss what Indians did at their fairs.

EVALUATION:

Students should recognize that an exchange relationship benefits both parties in an exchange. Exchange is facilitated by markets and money, both of which are important to a modern economy.

GRADE FOUR

XXXXXXXXXXXXXXXXXXXXXX ECONOMIC SYSTEMS XXXXXXXXXXXXXXXXXXXXXXX

LARGER AND LARGER GOVERNMENT
(Governments and Exchange)

GENERALIZATION:

Governments provide some of the goods and services necessary for the growth of a community. As communities grow, governments grow and provide more goods and services.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. understand the changing characteristics of a community,
2. use the circular flow model to relate government to the community,
3. use the community as a learning laboratory.

STRATEGIES:

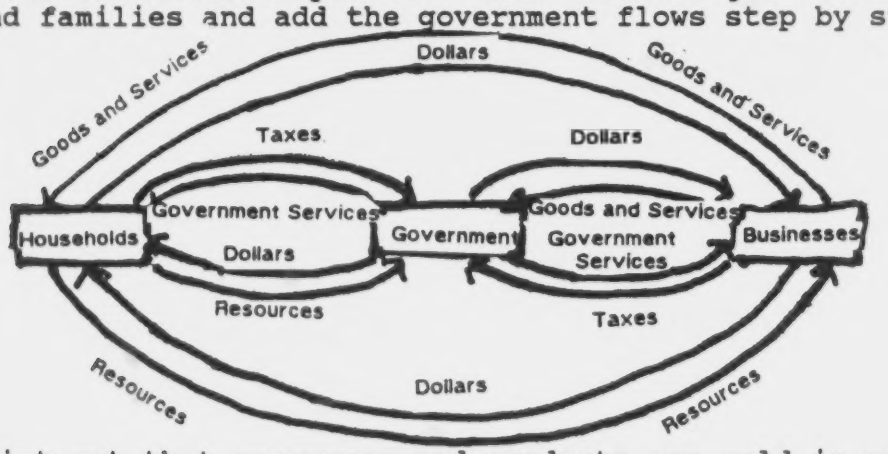
EXPERIENCE (Portland Today and in 1850)

Materials: circular flow diagram

Vocabulary:

markets--situation where goods, services and resources are bought and sold.

Add government to the circular flow diagram. (The picture shows the finished product. You should begin with businesses and families and add the government flows step by step.)



Point out that resources and products are sold in markets.

Next, discuss with students why we have government. (To provide certain services, such as fire department to everyone and not just to those who can pay; To provide services private businesses would not provide, such as a lighthouse, pollution control and space program; reduce duplication, such as public utilities; and because some activities are not safe for private businesses to run, such as police and defense.)

Finally, compare the Portland of 1850 (population 821) with Portland today 1986 metropolitan area population 1,292,700. Why might people who live in Portland today want to spend more money on government services? Consider such specific matters as....

schools	police
roads	dog catchers
sewers	weights and measures
hospitals	aid to the poor
firefighters	pure water

ANALYSIS (The Growth of Government in Oregon)

Materials: outline map of Oregon

Vocabulary:

growing economy--An expansion of the production, distribution and consumption activities which make up an economic system

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Discuss why pioneers came West.
On an outline map of Oregon, show the areas where the pioneers settled. Ask the following:

* Why did they pick those areas?

* Were they near a fort or trading post?

* Were these the best lands for farming?

* What resources were available?

* What occupations did they have?

* Why were dried fruits important?

* Was conservation important to them?

* As their community grew, what goods and services were added?

* How did the role of government change and grow?

OTHER ACTIVITIES

A. History and Geography of the community
Have students study their own community-its history, economic base, growth pattern and government. Let them present oral reports on the various aspects of community growth.

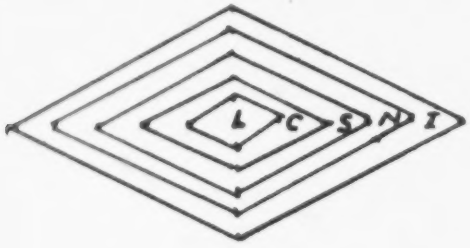
- OR -

B. Role of Government in Oregon's Economy
Make a list of occupations the pioneers had before they came West. Then discuss how they gradually reverted back to those occupations after improvements in transportation and communication permitted them to produce their specialized good or service. Discuss the role of government in improving transportation and communication

and the role of transportation and communication in helping an economy to grow.

- OR -

C. Comparing Different Levels of Government
The economic system answers the production, distribution and consumption questions in the private sector. In the United States, we have a representative government where elective representatives make decisions in the public sector. The following model will help students target these questions to different levels of government.



Ask students to generate an ongoing list of government goods and services they pay for with taxes. In discussing such services pose the following questions:

a. At what level of government are the services provided?
b. What resources are required to provide the goods and services?
c. Who benefits from the goods and services?
d. Who pays?

Examples of goods and services at the different levels of government are:

Local	County	State	National	International
Street Lights	Roads	Education	Defense	United Nations
Sewers	Police	Roads	Freeways	World Court
Sidewalks	Surveying	Motor Vehicles	Social Security	Import Export Bank
Police	Libraries	Police	Welfare	IMF
Water Service	Employment Agency	Bridges	Research	UNICEF

EVALUATION:

There are political, economic and social decisions that account for the students existence at this point in time and this location in space. If the present is a reflection of past choices, the student should realize that the future is a product of the current decisions they are making.

XXXXXXXXXXXXXXXXXX SUPPLEMENTAL RESOURCES XXXXXXXXXXXXXXXXX

Keeping Up With The Jones's Kids: A Case Study Of The Little People For Students In The Middle Grades

Instructional unit. 30pp. $2.00. Uses a case study of the development of "Little People" dolls to teach about the market system. Highlights supply and demand and equilibrium price. Unit includes five readings and eleven lesson plans with objectives, procedures and study questions. 1983.

Georgia Council on Economic Education
Lawyers Title Building--Suite 940
30 Pryor Street
Atlanta, GA 30303

The Brown Bag

Instructional unit. 64pp. $3.50. Provides an overview of where food comes from, how food prices are determined, what it means to be a smart shopper and related issues. Focuses on improving decision-making. TEACHER'S GUIDE includes prupose, concept development, organization, objectives, activity sheets and bibliography. 1981.

Food Marketing Institute
1750 K Street, N.W.
Washington, D.C. 20006

The Elementary Economist

Newsletter. 12pp. $15.00 subscription. Contains tested classroom units written by teachers, designed to bring economic themes into the elementary classroom. Includes objectives and activities for each unit as well as drawings and samples of games. Published fall, winter, and spring.

Joint Council on Economic Education
2 Park Avenue
New York, NY 10016

Trade-Offs

Available in two formats: videocassettes and 16mm color films. (Videocassettes free loan from the Oregon Council on Economic Education) or $150 per title for videocassette, $300 per title for 16mm film. Using dramatization and special visuals, each of the fifteen programs illustrates a fundamental economic choice. Emphasizes economic principles and reasoning processes and introduces unresolved problems to stimilate discussion and follow-up activities. TEACHER'S GUIDE includes objectives, program summaries, discussion

questions and activities. Titles best suited for grade four include:

1. Choice (opportunity cost)
2. Malcolm Decides (personal decision-making)
3. We Decide (social decision-making)
4. Give and Take (trade-offs among goals)
9. Why Money? (voluntary exchange)

Agency for Instructional Television
Box A
Bloomington, IN 474401

Ump's Fwat, An Annual Report For Young People

Instructional unit. 23pp. First five free, $0.60 each(six or more), $10 teacher's kit(30 reports and guide). Traces the development of a business from an original idea through the role of profits and stockholder's dividends. Uses cartoons, a prehistoric setting and humorous made-up words. TEACHER'S GUIDE includes activities, a glossary and an explanation of basic economic education principles. 1982.

Figgie International
Economic Education Department
1000 Virginia Center Parkway
Richmond, VA 23295

GRADE FIVE

XXXXXXXXXXXXXXXXXXXX ECONOMIC INSTITUTIONS XXXXXXXXXXXXXXXXXXXX

A CHANGING AMERICA
(Indians, Colonist, Frontier)

GENERALIZATION:

Economics provides a way of talking about America's Institutions and the contribution made by its diverse population.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. use the material culture of different groups as a data base for describing their economic institutions,
2. describe how cultural differences provide exchange opportunities involving goals and benefits,
3. use data sheets to organize and compare information.

STRATEGIES:

EXPERIENCE (Comparing Ways of Living)

Materials: "Colonial Data Sheet", 1850's America Data Sheet, "Native American Data Sheet", (See Appendix I)

Vocabulary:

corporation--a business organization owned by stockholders

factory--building where workers use machinery to produce a product

union--organization of workers to better working conditions

Divide class into groups of 4 or 5. Distribute COLONIAL DATA SHEET to one group, NATIVE AMERICAN DATA SHEET to another and 1850'S AMERICAN DATA SHEET to another and so on until all groups have a data sheet. Have students group and classify items on the sheets according to headings such as the following (Note that some items may fit into more than one category:

*Communication	*Work Styles
*Transportation	*Finance
*Agriculture	*Industry or Factory Production
*Clothing	*Living Arrangements

After the groupings are done have the students make observations by answering the following questions about their data set:

a. How did people interact with their environment?
b. What tools helped them cope with the environment?
c. How did trading take place?
d. How were goods produced?
e. What type of food, clothing, transportation and communication existed?
f. Were living arrangements rural or urban?

After the discussion, have students compare cultures by asking:

a. How did communication, transportation, clothing, living arrangements and work styles change over time?
b. How did inventions influence these changes?
c. How did exchange, technology, trade and money contribute to domination of one culture by another?

APPENDIX I

NATIVE AMERICAN DATA SHEET
(1750)

Spear	Popcorn	Totem Poles
Harpoon	Squash	Cedar Plank House
Tipi	Dugout Canoe	Buffalo
Wild Berries	Pinon Nuts	Acorn Cakes
Thatched House	Bull Boat	Longhouse
Igloo	Wigwam	Turkey
Whale	Quail	Dogsled and Team
Deer	Beans	Woven Cedarbark Clothes
Sea Otter	Tomahawk	Horse
Breechcloth	Adobe House	Tobacco
Maize	Travois	Caribou
Drum	Bow and Arrows	Wickiup
Salmon	Pemmian	Halibut
Smokesignals	Corn	Buckskin Leggings
Seals	Potlatch	Turkey Feather Robe
Bear	Wampum	Birch Bark Canoe
Pumpkin	Pottery	Rabbit Fur Robe
Parka		

APPENDIX I

COLONIAL DATA SHEET
(1750)

Leather	Apprentice	Freeman
Indians	Money	Shipping
Squash	Community	Husbandry
Plow	Towns	Pewter
Trap	Barrel	Keg
Homespun	Oak	Ax
Bartar	Corn	Pelt
Flint	Rice	Harvest
Saw	Clog	Bench
Fall	Sow	Hoe
Tobacco	Horse and Carriage	Forge
Fireplace	Post office (75)	Indentured servants
Handicrafts	Spinning Wheel	Churn Flour mill

APPENDIX I

AMERICAN'S DATA SHEET
(1850'S)

Factories	Corporations	Telegraph
Cotton Print Fabric	Cities	Money
Reaper	Labor Unions	Factory Workers
Cotton Gin	Railroads	Banks
Steamboat	Toll Roads	Slaves
Canals	Post Offices (20,000+)	Stockmarket
Domestic Trade	Sewing Machine	Meat Packing Plants
Corn	Tobacco	Wood Burning Stoves
General Store	Wheat	Armories
Slums	Schools	Tariff

ANALYSIS (Inventions that Shaped America)

Materials: Posterboard

Vocabulary:

capital--tools, machinery, buildings, etc. used to produce other goods and services; one of the four factors of production along with natural resources, labor and entrepreneurship.

entrepreneurship--assuming the risk involved in establishing or operating a business; one of the four factors of production.

invention--new products or new ways to accomplish an activity

---

Make posters showing inventors and inventions and how they affected the way in which these Americans lived. For example:

Franklin stove....1742
Drip coffee pot (Benj. Thompson) 1785
Cotton gin (Eli Whitney.....1793
Steam shovel (Robert Fulton).....1795
Grain elevator (Oliver Evans).....1800
Steam boat (Robert Fulton).....1807
McCormick reaper....1831
Daguerreotype.....1832
Steel plow (John Deere).....1833
Clipper ships.....1840's
Anesthesia.....1840's
Telegraph (Samuel Morse).....1844
Sewing machine.....1846
Safety pin.....1849
Oil well.....1859

Have the students report on the inventions by pretending to be the inventor seeking a patent from the patent office. The students must show how the invention changes the economy. For example, they might point out the fact that Eli Whitney didn't just invent the cotton gin; he also introduced mass production. In the old days each gunsmith made an entire gun by hand. With Whitney's method, one person specialized in gun barrels, one in triggers, and one in putting all of the parts together. The parts had to be "interchangeable," or all alike, so they would fit. When this was done, guns and other things could be made faster and cheaper than ever before.

Can students explain why the Constitution provides for a patent system?

OTHER ACTIVITIES

Materials: Cultural Pyramid (See Appendix II)

A. Mock Trial--Gibbons vs. Ogden
Have the students decide a real Supreme Court case. For example, Thomas Gibbons wants to run a steamboat between New York City and Elizabethtown, New Jersey. Aaron Ogden, an associate of Robert Fulton (the man who invented the steamboat), says he cannot dock in New York unless he pays Fulton for the privilege. New York State has given Fulton a monopoly of the steamboat traffic in New York, and no one can operate steamboats there unless Fulton gives them permission. Gibbons and his attorney, Daniel Webster, appeal to the Supreme Court. They say that the Gibbons steamboat is properly registered and licensed by the federal government and can go wherever it wants. The Constitution, they claim, says that only the Federal Government can regulate trade and commerce between one state and another. (Article I, Section 8)

a. Shouldn't New York be able to reward Robert Fulton for his invention? Shouldn't it be able to regulate steamboats or other kinds of transportation that come into New York from other states?

b. Didn't the men who wrote our Constitution want as much trade as possible between the states? Wouldn't laws and monopolies like this New York one increase transportation costs, cut down on trade, and make our economy less specialized and less efficient?

c. Would the class decide the case in favor of Gibbons? In favor of Ogden? (The Supreme Court said that the New York monopoly was unconstitutional and decided in favor of Gibbons. Gibbons v. Ogden, 4 Wheaton 122 (1810.)

- OR -

B. Economic Systems--Then and Now
Compare and contrast economic attributes of different cultures by using the following matrix:

Concepts	Culture 1	Culture 2
Wants		
Goods and Services		
Basic Economic Questions		
What to produce?		
How to produce ?		
Who gets outcome?		
Specialization and Exchange		
Trade and Money		

Comparative cultures might be
* Colonial Americans vs. Native Americans
* Colonial Americans vs. 1850's Americans
* African Blacks vs.Black Slaves
* Explorers vs. Colonists
* 1850's Americans vs. 1980 Americans

- OR -

C. Comparing Cultures
Assign groups of four or five students to study different aspects of a culture - each group a different culture - using the CULTURAL PYRAMID. Then use the pyramid to compare these cultures.

EVALUATION:

Economics has has a powerful impact on the national character. Students should understand the role that economics has had on various groups in history and how it has influenced the development of today's economic institutions.

Concepts	Culture 1	Culture 2
Wants		
Goods and Services		
Basic Economic Questions		
What to produce?		
How to produce ?		
Who gets outcome?		
Specialization and Exchange		
Trade and Money		

Comparative cultures might be
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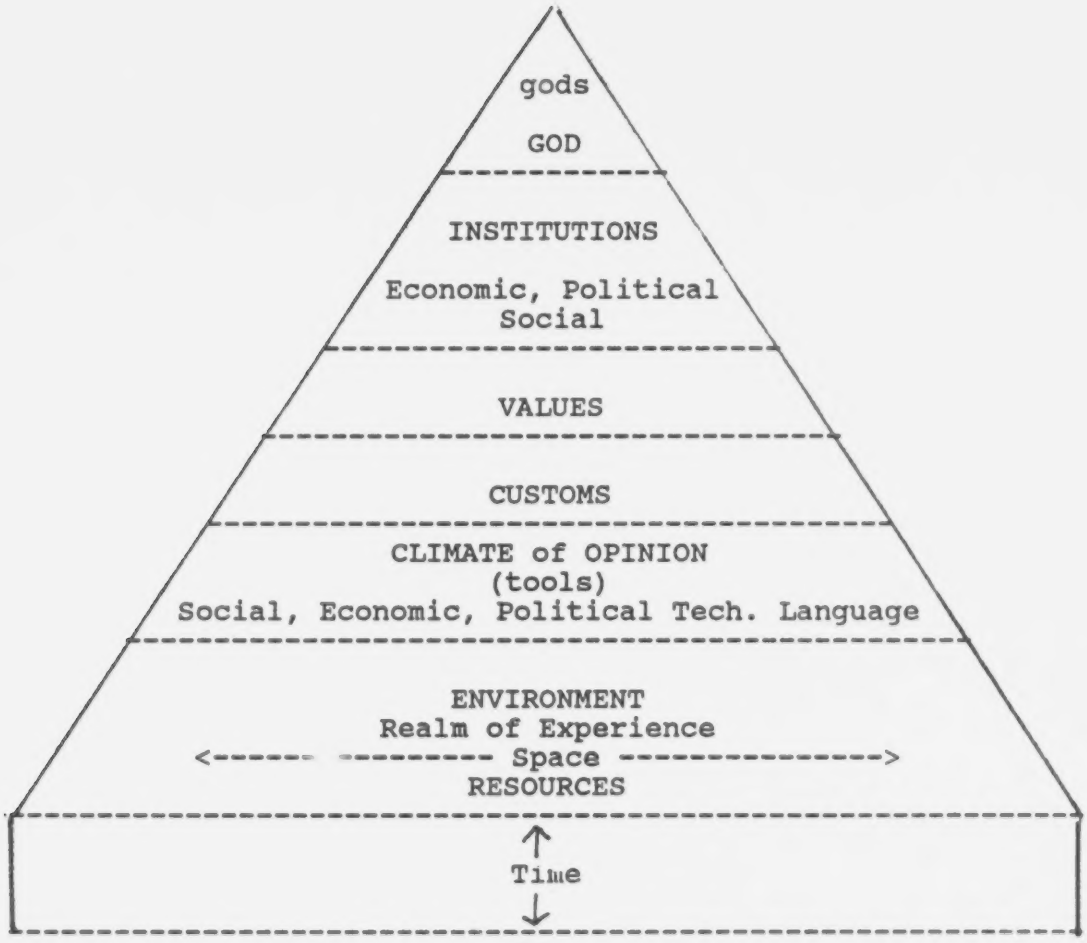
APPENDIX II

A MODEL OF CULTURE



GRADE FIVE

XXXXXXXXXXXXXXXXXXXXXXXXXXX SCARCITY XXXXXXXXXXXXXXXXXXXXXXXXXXX

RESOURCE USE
(Exploration and Discovery)

GENERALIZATION:

The scarcity condition forces people to make economic decisions about how to allocate resources.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. draw on information from different historical contexts to explain resource use choices,
2. make resource use choices which reflect the relative nature of time and space,
3. use reason and logic to explain economic choices.

STRATEGIES:

EXPERIENCE (The NASA Activity-What is a Resource?)

Materials: "NASA Worksheet" (See Appendix III)

Vocabulary:

economics--the study of allocating limited resources to unlimited wants

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Divide the class into groups of four or five. Distribute the NASA WORKSHEET and read the following directions:

> Assume you are the crew of a space ship that has crash-landed on the moon. Your survival depends on reaching Moon Base 100 miles away and how well you utilize the few resources available after the crash. Because of limited space, you cannot carry all of them with you. The resources are listed on the worksheet. Rank order from most to least important the survival value of the items that remain intact after the crash. Be prepared to give reasons for the choices you make. How many of the items are critical for you to take with you?

The answers on the following worksheet were developed by astronauts at NASA and could be used as a standard for judging the students answers.

In discussing the answers on the worksheet, be sure to emphasize the relationships between wants and resources and the way resources can be used to meet the most critical wants.

APPENDIX III

THE NASA WORKSHEET

(SCORING SHEET: NASA EXERCISE ANSWERS)

Answer	Reason
_____Box of matches	
_____Food concentrates	
_____50 feet of nylon rope	
_____Parachute silk	
_____Portable heating unit	
_____Two .45 calibre pistols	
_____One case dehydrated Pet milk	
_____Two 100 lb. oxygen tanks	
_____Stellar map (of moon's constellations)	
_____Life raft	
_____Magnetic compass	
_____5 gallons of water	
_____Signal flares	
_____First aid kit containing injection needles	
_____Solar-powered FM receiver-transmitter	

Adapted from Structured Experiences for Human Relations Training, J. Pfeiffer and John Jones, University Associates, Iowa City, Iowa

APPENDIX III

THE NASA WORKSHEET

(SCORING SHEET: NASA EXERCISE ANSWERS)

Answer		Reason
15	Box of matches	Little or no use on moon
4	Food concentrates	Supplies daily food required
6	50 feet of nylon rope	Useful in tying injured together, help in climbing
8	Parachute silk	Shelter against sun's ray
13	Portable heating unit	Useful only if party landed on dark side
11	Two .45 calibre pistols	Self-propulsion devices could be made from them
12	One case dehydrated Pet milk	Food, mixed with water for drinking
1	Two 100 lb. oxygen tanks	Fills respiration requirement
3	Stellar map (of moon's constellations)	One of principal means of finding direction
9	Life raft	CO bottles for self-propulsion across chasms, etc.
14	Magnetic compass	Probably no magnetized poles; thus useless
2	5 gallons of water	Replenishes loss by sweating, etc.
10	Signal flares	Distress call when line of sight possible
7	First aid kit containing injection needles	Oral pills or injection medicine is valuable
5	Solar-powered FM receiver-transmitter	Distress signal transmitter, possible communication with mother ship

Collect and average the individual scores and then compare and compute differences.

ANALYSIS (Scarcity and Exploration)

Materials: "How did the Explorers Hope to Solve the Problem of Scarcity" worksheet (See Appendix IV)

Vocabulary:

profit motive--the expectation that the benefits from an activity will exceed the cost of the activity

wealth--abundance of riches (money wealth) or abundance of useful resources(real wealth)

Draw a circle on the board. Ask students to name the wants of early explorers. Fill in the circle with these wants. When it is full, ask how large would the circle have to be to include all wants (infinite). Tell them that the size of circle holding the wants they actually could meet is smaller than the one on the board. Emphasize scarcity.

Next, ask students why the early explorers undertook their voyages (Talk about the profit motive and wealth).

Finally, pass out the HOW DID THE EXPLORERS HOPE TO SOLVE THE PROBLEM OF SCARCITY WORKSHEET and have students fill it out. Discuss answers as a class.

APPENDIX IV

How Did the Explorers Hope to Solve the Problem of Scarcity?

The central economic problem is scarcity: how will people satisfy their unlimited wants for goods and services with the limited resources the earth can provide?

You want things as an individual. List five of those wants. You could probably list 50 or 500 more, because if you are like most people, you want many of the goods and services you see around you every day. These things are said to be scarce because it takes resources to acquire them.

1. _____ 4. _____

2. _____ 5. _____

3. _____

As a large group of people, society has many wants too. Can you list five of the wants of society? The attempt to satisfy those wants usually involves heavy spending of society's resources.

1. _____ 4. _____

2. _____ 5. _____

3. _____

When the rulers of Spain and Portugal paid large sums of money for exploration, they were attempting to solve the problem of scarcity. Can you list several of the resources they were looking for or several resources they may have been surprised to find?

1. _____ 3. _____

2. _____ 4. _____

DISCUSSION

The nations of the world are in an age of exploration today. How are today's explorations similar to or different from those of the 1500's in the following respects?

1. Cost
2. Sponsorship

3. Necessary Technology
4. Establishment of Trade
5. Discovery of Natural Resources
6. Technological Discovery
7. Anticipation of Money Return

OTHER ACTIVITIES

A. Scarcity on the Mayflower
History is replete with situations where people have made resource use decisions. The following situation will illustrate how students can simulate some of those decisions:

Choice game: The captain says that the Mayflower is almost fully loaded. There is, in fact, room for only two of the following items. Let the children decide which two should be loaded on board and which should be left behind.

1 cow	3 farmers	5 kegs of seed
1 horse	3 women	5 kegs of flour
3 soldiers	3 kegs of gunpowder	5 sets of tools

- OR -

B. Scarcity in Plymouth
Have the students pretend that they are with the original Plymouth party. After the first winter in America, they write letters home. They describe the hardships. They make lists of things they would like to have sent them by the next ship, marking the most important with a 1, the next most important with a 2, and so on. Do the students agree about which items are the most important?

- OR -

C. Pioneers and Astronauts
Have a panel discussion with two early explorers, two pioneers who crossed the country by wagon train and two astronauts. Lead the class in questioning the panel about
* the economic reasons for undertaking their exploration
* similarities and differences in their experiences (particularly technology)
* Effects of exploration, discovery and colonization on the Indians way of life, on 20th century life.

EVALUATION:

Students should understand that scarcity is relative to the wants of people and to the environmental conditions under which they operate.

GRADE FIVE

XXXXXXXXXXXXXXXXXXXXXXX DECISION-MAKING XXXXXXXXXXXXXXXXXXXXXX

ISSUES OVER TIME
(Conflict and Compromise)

GENERALIZATION:

Economics provides a systematic way of dealing with problems and issues.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. frame problems in economic terms,
2. address problems in a systematic manner,
3. use a problem solving model to access, analyze and seek solutions to problems.

STRATEGIES:

EXPERIENCE (Reporting on the Revolution)

Materials: items to produce a newspaper

Vocabulary:

free trade--the ability to exchange goods and services without restrictions

tariff--a restriction on free trade involving a tax on a good or service making the price higher.

Divide the class into two parts. Designate one half to publish a British newspaper, the other half a colonial newspaper. Each half can set up its own editorial board, news staff, cartoonist and advertisers. Have them prepare a newspaper reflecting their desire to pass (or repeal) particular English laws. Topics might include:

* Did England do the right thing when it passed tax laws to pay for their own government and for the costs of defense against the French and the Indians? Why should English taxpayers have to pay the costs of colonial government and colonial defense.

* Did England do the right thing when she passed laws designed to help her own businessmen in their dealings with the colonies? Would it have been better to let colonial businessmen and English businessmen compete with each other without government help or interference?

* The law that said that only English or colonial ships could carry things to and from the colonies. Ask if any of the colonies were helped by such a law? (New England built, owned, and operated many of the ships.) Were any of them hurt? (It might have been cheaper to use foreign ships.) Did the English benefit? (Those who owned and sailed ships probably did, but those who bought and sold colonial products probably had to pay more.) Do we have similar laws now? (Yes. Oregon lumber must be shipped to the East Coast on American ships.)

* The law that said that the colonists were not to export hats, woolens, or iron products. Ask if this law hurt anyone in the colonies? (Perhaps. Some colonial manufacturers of hats, woolens, or iron might otherwise have been able to sell them overseas.) Did it help anyone in England? (Manufacturers of hats, woolens, or iron.) Did it hurt anyone? (Those who might otherwise have bought cheaper colonial products.)

* Duties (tariffs) on glass, paint, lead, paper, and tea. Ask if these laws helped anyone in the colonies. (They might have helped colonial manufacturers of these products by making prices higher and might have helped colonial smugglers who brought them in without paying the tariff.) Did they hurt anyone in the colonies? (Colonial buyers probably had to pay higher prices.) Did they hurt anyone in England? (They might have hurt English manufacturers of these products, because with prices higher the colonists might have purchased less.)

* The decision to crack down on smuggling by enforcing the Navigation Acts and by allowing search of colonial homes and businesses for smuggled goods. Ask if these laws hurt anyone in the colonies? (Smugglers and colonists who now had to pay higher prices for non-smuggled goods.)

TEACHER'S NOTE: It would be best to have the class choose 2 or 3 of these topics to explore in their newspaper. The same topics should be developed by both newspapers so you can have a class discussion after the newspapers have been "published."

Finally, this same format could be used to explore the economic differences which created political issues leading to the civil war. You could have newspapers for the North, South and West exploring issues such as:

* Tariffs on manufactured goods
* Laws for the recapture of runaway slaves
* Government aid to railway builders
* Laws to permit slavery on newly opened Western lands
* Laws to encourage the immigration of factory workers

Point out that opposing interests have valid, although conflicting, points of view and decisions must be made as how to resolve the differences. In the cases above, the decision was war. From hindsight, was there a better solution?

ANALYSIS (Decision Making--Now and Then)

Vocabulary:

money cost--the dollar value of an item

real cost--the number of goods and services foregone to produce some other activity

---

Explain to students a decision-making process involves six steps:

1. define the problem
2. state the alternative solutions
3. name the criteria to judge alternatives
4. evaluate the alternatives with the criteria
5. make the decision
6. evaluate the decision

Ask students to take five minutes to write a solution to the following problem (Have them use the six step process).

A problem occurred in another land and Americans were asked to help. The problem was the disease malaria which is spread by mosquitoes. The Americans were asked to use the latest resources available to destroy the mosquitoes and eliminate malaria as a serious disease.

Discuss their answers.

Then report to the students that the actual problem was solved by using DDT (an insecticide), labor and spraying equipment. The decision was to spray the woods and swamplands. The outcomes, however, were not predicted.

Cockroaches, eating poisoned mosquitoes, were so slowed they could be eaten by some tree-climbing lizards, who in turn were eaten by cats, which promptly died of insecticide poisoning. With the cats dead, the rat population grew as did fleas, and thus bubonic plague spread in Malaysia. In addition, the tree-climbing lizards, having died, could not eat an insect which consumed the straw thatching of the natives' huts. As Malaysians died of plague, their roofs literally caved in about their heads.

NOTE: The above statements are from Gunter, Peter A., "Mental Inertia and Environmental Decay: The End of an Era", The Living Wilderness, Wilderness Society, Spring, 1970.

Ask the class:

a. what went right or wrong with the solution?

b. what are some limits to the use of technological resources
c. what was the real cost of the solution?
d. what decisions have you made that had unintended consequences?

Finally, generalize the decision-making process to war time decisions. (Note that in wartime resources must be directed to where they are needed most). War thus involves not only a money cost but a real cost. Have students name:

* wartime goods whose production decreases the production of consumer and business goods.
* the "real cost" of producing military goods.

Emphasize that the criteria for deciding on war must always include the real cost.

OTHER ACTIVITIES

Materials: "Which Side Had the Economic Advantage in the Civil War" worksheet (See Appendix V). "Jim's Dilemma" (See Appendix VI)

A. Civil War Decisions
Pass out WHICH SIDE HAD THE ECONOMIC ADVANTAGE IN THE CIVIL WAR, and have students to fill in the worksheet. Discuss answers as part of the decision making process.

- OR -

B. Settlement Decisions in Oregon
Settlement patterns illustrate economic issues over time and space. Assign students to explore the reasons for the settlement and development of such trading posts or forts as:

Astoria	1829	Walla Walla	1856
Oregon City	1842	Helena	1864
Salem	1840	Boise	1863
Portland	1844	Lewiston	1861

How has the land and climate and economic survival influenced the settlement, agricultural and forestry patterns in Oregon's five geographic regions?

How have the factors of production influenced the site location and development of business and industry in Oregon?

What economic opportunities are likely for the future employment of people in Oregon?

- OR _

C. Resource Use Decisions Today
Pass out JIM'S DILEMMA for students to answer. Discuss their solutions.

EVALUATION:

Students must be able to deal with their problem filled world. History provides an excellent context for developing problem solving skills because students can control the variables. Economics is one way of thinking about the past.

APPENDIX V

Which Side Had the Economic Advantage in the Civil War?

Before entering into any kind of competition , it is wise to assess your strengths and weaknesses and those of your opponents. Serious miscalculation of an opponent's strength could be disasterous, whether the contest is a card game, a tennis match, or a war.

In order to understand the comparative resources of the North and the South at the beginning of the Civil War, complete the following tables.

	The North	vs.	The South
Number of States			
Population	22,000,000		9,000,000
Miles of Railroad	22,000		9,000
Acres of Cropland	105,000,000		57,000,000
Mark the following greater(+) or less (-)			
Manufacturers	+		-
Exports	-		+
Skilled Work Force	+		-

Choose any three of the items from the table and explain the economic advantages they offered to either section.

In your opinion, what was the chief economic advantage enjoyed

by the North? _____

by the South? _____

The South, as you may know, expected strong support from the countries of Europe. Why?

_____

_____

In three of the four years of the Civil War there were serious crop failures in England and Europe. Can you explain how these failures affected European attitudes toward the Union and the Confederacy?

_____

_____

APPENDIX VI

Jim's Dilemma*

Sunlight streamed through the window, casting a shadow on Jim's desk. As the bell rang ending school for the day, Lucy turned to face him. "Want to walk me home?"

Lucy was beautiful. She'd never before shown any interest in Jim. Before Jim got a chance to answer, Miss Brown rapped for attention.

"I almost forgot," Miss Brown said. "There's an announcement. All boys who want to try out for the baseball team must meet in the gym immediately after school today."

Jim's world collapsed. He'd been lifting weights all winter to stay in shape. Last year he didn't quite make it. Coach had said, "Better luck next year." He had a good arm, and his hitting wasn't bad. You could usually depend on him to get a hit even if it was only for a base or two. His fielding was only fair, but not as bad as Ted's. There'd be plenty of competition. Why did everything have to happen at once?

Lucy stood up and turned toward him. "Coming, Jim?" Before Jim could answer, Ted called across the aisle, "Let's go!"

Jim faces a problem--how to use his time which is a scarce commodity.

Use the outline which follows to help him solve the problem.

I. Identify the problem.

II. Consider several alternative courses of action and analyze the costs and benefits of each.

III. Decide on one or more of the alternatives that best fulfills the goals and values.

IV. Consider problems with the solution offered.

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*Adapted from Meno Lovenstein, The Ohio Project, an unpublished curriculum for Junior High students, Ohio State University.

GRADE FIVE

XXXXXXXXXXXXXXXXXXX SPECIALIZATION AND EXCHANGE XXXXXXXXXXXXXXXXX

TRADING
(Specialization, Energy, Money)

GENERALIZATION:

People exchange goods and services in the marketplace primarily through the medium of money.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. explain the saving and lending functions of banks,
2. list ways money facilitates the exchange of goods and services,
3. make posters to explain specialization.

STRATEGIES:

EXPERIENCE (Specialization in Colonial Times)

Materials: posterboard

Vocabulary:

divisibility of a good or service--the ability to exchange a fraction of a good or service

reciprocal exchange--an exchange in which each party desires the other's good or service being offered.

regional trade--goods and services produced in one area and exchanged for those of another area

---

Have students make posters to show "How Various Colonies Specialized"

For example--

MASSACHUSETTS earned money by specializing in fishing, shipping, and the sale of naval supplies. Massachusetts had poor land and a bad climate. It was hard to grow things there.

VIRGINIA earned money by specializing in tobacco. Virginia had good land and a good climate, but it was more profitable for her to grow tobacco than for her to grow other things.

PENNSYLVANIA earned money by specializing in wheat and other foods. Pennsylvania had a good climate, but Virginia was a better place to grow tobacco. Massachusetts was a better place for fishing, shipping, and naval supplies.

Ask students how the colonists obtained the goods and services they did not produce(trading). Ask students what mechanism they used for trading. (Barter and/or Money)

Discuss the problem of barter using the examples which follow.

* George has a rocking chair and wants to trade for a cow. Sue has a cow but doesn't want to trade for George's rocking chair. Phil wants George's rocking chair but doesn't have a cow to trade for it.
  Answer: There is a difficulty in finding trading partners each of whom has what the other wants.

* Al has a horse and John has a lamb. They want to trade but Al says his horse is worth two lambs. John doesn't have another lamb and he doesn't want half a horse!
  Answer: No common denominator value for exchange (limited divisibility of goods).

* At the beginning of recess Linda started to go around school to find someone with a Frisbee to trade for her colored pencil set. She found several people with Frisbees but none who wanted her pencils in exchange. Finally at the end of recess she found someone who wanted to trade. She didn't get to play at all!
Answer: Time spent in searching for exchange.

* Gina has an ice-cream cone for trade. She talks with many other children about trading and finally decides to trade the ice-cream cone for Mark's peanut butter candy. But then Mark says, "No, your ice cream has already melted!"
Answer: Time limit on the usefulness (perishability) or quality of some goods.

* Betty wants an autographed picture of the basketball team and John has one but he doesn't want to trade for anything Betty has. He wants a baseball bat. So Betty trades her hair ribbon for Sue's pencil case, the pencil case for Dan's model car, and the model car for Ted's baseball bat. Now she can trade with John.
Answer: Involvement in a chain of exchanges to obtain a desired good.

* In the town of Corngrowers everything has many prices. When you go into the corner store the signs, which change every day, say things like: 2 pigs=1 cow, and 6 ears of corn=1 yard of cloth. When you want to trade something, you must ask the owner, "How many eggs does this cost?" It takes a long time to buy something! How would a money system help the town?
Answer: It would enable them to price items in a common unit of value, and save time since you need not find a reciprocal trade.

* You have made ten really beautiful bean bags. You aren't sure exactly what you want to trade for. Would you rather: (a) sell your bean bags in a money economy and go shopping with money in your pocket, or (b) look for trades in a barter economy? Explain the reason for your choice.
Answer: You can save more time and have more choices if goods and services are expressed in terms of money values (prices).

ANALYSIS (Development of a Local Bank)

Vocabulary:

bank loan--banks lend money to individuals or businesses which must be repaid to the bank in a specified time period with interest

interest--the cost of borrowing money; also payment for savings

savings--money put away so that it can be spent later

Do a case study of a local bank. Invite a banker to talk to the class or take a field trip.

Find out:

* how it was started
* who owns it
* why it is located where it is
* what kind of people does it employ
* what training do the people need
* how it gets its money
* where it gets the money with which to make loans
* the value of its savings; its loans
* the current rate of interest on loans; on savings

Make sure students have formulated questions before your guest arrives or you visit the bank.

OTHER ACTIVITIES

A. Trading--Then and Now
Have students write an essay comparing life on the frontier with life in the early towns (or with life today). Stress the following:

*Did most people on the frontier (in the town) work for themselves or for someone else?

*Did most of them work exclusively for money or did they work for room and board as well?

*Did people make most of the things they needed or did they buy most of them for money?

*Did people sell most of the things they produced or did they and their families consume most of it themselves?

- OR -

B. Trade and the Development of Money
Have students write diary entries for ten days in the life of a frontiersman, colonial farmer or explorer emphasizing trade and the medium of exchange.

- OR -

C. Money and the U.S. Constitution
Have the students discuss why the Constitution of 1789 prohibited states from issuing their own currency (To encourage specialization and trade as a uniform currency makes doing business easier). Ask what would happen if Oregon had its own money and so did California.

EVALUATION:

Students should realize that money facilitates trade and that banks help to provide the money for trade.

GRADE FIVE

XXXXXXXXXXXXXXXXXXXXXX ECONOMIC SYSTEMS XXXXXXXXXXXXXXXXXXXXXX

THE MARKETPLACE
(Now and Then)

GENERALIZATION:

Markets in our economic system allow people freedom to make their own decisions about the terms on which goods and services will be exchanged.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. understand that people should consider what is given up as well as what is gained when they make a choice,
2. explain that choices people make are influenced by values, tastes and habits,
3. show that scarcity is relative.

STRATEGIES:

EXPERIENCE (Making Product Maps of the World)

Materials: outline maps of the world

Vocabulary:

international trade--exchange of goods and services between different countries

---

Give each student an outline map of the world. Have students take the map home and search their houses for products from foreign countries. Have them put a number on the map where the product came from and then list the product with number on the back of the map. Combine individual maps into one large map of product origins. Make a map for comparison of where the products for the colonies originated. Ask the students about the relationship of trade to the economic development of the U.S. in becoming a world power.

ANALYSIS (Trade and Distribution)

Material: Report Form (See Appendix VII)

Vocabulary:

price--the amount of money desired in exchange for a good or service

trade-off--giving up some of one thing in order to get some of another thing

---

Prepare for this activity by filling five paper bags with different amounts of the same item, such as peanuts, movie tickets, sugarless candy, etc. Bag 1 should contain one item; bag 2, two items; up to bag 5 with five items. For classes with more than 25 students, you can use more than five bags. Be sure that one group has a bag that contains as many items as there are members of the group.

Place the five bags in front of the class. Tell the class that you have put special treats into the bags. Assure the class that they will have the opportunity later to see what is in the bags and to decide who will receive the contents.

Divide the class into groups of four or five people. Provide each group with one bag. Don't let them open the bag yet.

Select one person in each group to be the recordkeeper/reporter. This person will record the group's activities by filling out the REPORT FORM and will also report to the rest of the class how the group:

* Determined ways of dividing the goods;
* Encountered and resolved problems;
* Reached consensus on how to divide up the goods.

NOTE: You may want to have a short meeting with your recordkeeper/recorders before the lesson begins. Make sure all understand what they will be recording for their groups.

Give each group 10-15 minutes to:

* Discuss several possible methods of distribution of the bag's contents;
* Fill out sections 1 and 2 of the report form.

Have the reporters report on section 1 and 2 to the class.

Next have the groups open their bag and decide how to distribute the contents.

Note: The final decision should be made by consensus, and the distribution should actually take place only when the group reaches consensus. If the group members are not in complete agreement, they should not distribute the items. Students must stay in their assigned groups.

Conduct a follow-up discussion, using the questions below:

a. How many people wanted to have the item(s) found in the bag? (Although some students may not want the items because of personal values and tastes, a comparison between the wants of the students and the availability of items to fulfill these wants will illustrate the problem of scarcity.)

b. What were groups required to do in order to solve the problem of scarcity, that is, how did the groups decide which of their members should obtain ownership of the items in the bags? (Students should have first listed possible distribution techniques and then selected the one the group preferred.)

c. How did the groups solve the distribution problem? Possible answers:
   * preference (some members did not want the items)
   * sharing equally
   * winning (e.g., by lottery)
   * buying or exchanging something of value in order to receive the items.
   * deciding to forgo the items because they were not worth giving up anything for

d. Did all of the groups make good choices? Which students feel they gained? Lost? Are students satisfied with the decisions? (Choices involve benefits and costs. Some children gained while others lost. Using one method of distribution entailed giving up the next best method. Forgoing one benefit to receive another is the essential feature of choice.)

APPENDIX VII

REPORT FORM

Date_____

Group members (list names): (1)_____
(2)_____ (3)_____
(4)_____ (5)_____
(6)_____ (7)_____

1. Our ideas for DISTRIBUTING THE ITEM(S).

2. PROBLEMS we had with our ideas.

3. How we finally DISTRIBUTED THE ITEM(S).

From Children in the Marketplace: Lesson Plans in Economics for Grades 3 and 4 (1986). Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016. (212) 685-5499.

OTHER ACTIVITIES

Materials: Map of the world, small ships (handmade or bought)

A. Colonial Trading Patterns
Make movable ships and put them on the map to show how the colonial trading patterns worked. Show ships going to England with naval supplies from Massachusetts and tobacco from Virginia, and selling them for money with which to buy English goods for all the colonies. How did Pennsylvania and the Middle Colonies get money for the English goods? (By selling food to New England and Virginia, so show ships carrying the food up and down the coast as well.)

- OR -

B. Colonial Exchange
Have students write a paper on the products colonies came to produce for other places and the colonies resources. Why did the colonies have to produce something that it could sell to England? Why would the colonies have been worse off if they had tried to be self-sufficient?

- OR -

C. Oregon Trade Patterns
Have the class do a research project on products Oregon sells to foreign countries (which countries), and products Oregon buys from foreign countires (which countries).

EVALUATION:

Students will recognize that through history countries have taken advantage of producing goods and services for sale to other countries. They will see that the value of an exchange depends on the relationships between supply and demand.

GRADE FIVE

XXXXXXXXXXXXXXXXXX SUPPLEMENTAL RESOURCES XXXXXXXXXXXXXXXXXX

A Century of Entrepreneurs

Poster, 22"x17". Free. Pictures six twentieth century entrepreneurs(George Johnson, Ray Kroc,C. Wilson Harder, Bette Graham, Margaret Rudkin and Henry Ford) and gives a short biographical sketch of each. No teacher's guide. 1981.

National Federation of Independent
Business Research and Education Foundation
150 West 20th Avenue
San Mateo, CA 94403

Business in My Town: Everybody's Business

Audiovisual package including filmstrip(12 min., color) with audio cassette and two booklets, BUSINESS IN OUR COMMUNITY and HOW WE ORGANIZE TO DO BUSINESS IN AMERICA. $25. Illustrates the different roles of government, community service organizations and businesses. Follows three students working on a school project. Focuses on differences between an individually-owned business, a partnership, a cooperative and a corporation. Teacher's guide contains 10 activity sheets including objectives, key concepts, discussion questions and answers. 1981.

American Institute of Cooperation
1800 Massachusetts Ave., N.W., Suite 508
Washington, D.C. 20036

Hangman With Mr.Money

Microcomputer game for use on Apple II, II+ or IIe. $20.00. Using the game "Hangman", reviews definitions of economic terms, then has student identify and spell each term's antonym. Teacher's guide includes objectives, definitions, and pre-and post-tests. 1984.

Joint Council on Economic Education
2 Park Avenue
New York, NY 10016

The Elementary Economist

Newsletter. 12pp. $15.00 subscription. Contains tested classroom units written by teachers, designed to bring economic themes into the elementary classroom. Includes

objectives and activities for each unit as well as drawings and samples of games. Published fall, winter and spring.

Joint Council on Economic Education
2 Park Avenue
New York, NY 10016

The Life of A Dollar Bill

Instructional unit. Free. Introduces the basic need for money and the circular flow of resources between households, businesses, government and financial institutions as told by Mr. Dollar Bill. Unit includes 25 4-page comic booklets, a 20"x35" poster and TEACHER'S GUIDE outlining goals, vocabulary and discussion questions. 1983.

Federal Reserve Bank of New York
Public Information Department
33 Liberty Street
New York, NY 10045

Trade-Offs

Available in two formats: videocassettes and 16mm color films. (Videocassettes free loan from the Oregon Council on Economic Education) or $150 per title for videocassette; $300 per title for film. Using dramatization and special visuals, each of the fifteen programs illustrates a fundamental economic choice. Emphasizes economic principles and reasoning processes and introduces unresolved problems to stimulate discussion and follow-up activities. TEACHER'S GUIDE includes objectives, program summaries, discussion questions and activities. Lesson titles most suited for grade five are:

5. Less and More (increasing productivity)
6. Working Together (specialization and division of labor)
9. Why Money? (voluntary exchange)

Agency for Instructional Television
Box A
Bloomington, IN 47401

GRADE SIX

XXXXXXXXXXXXXXXXXXXX ECONOMIC INSTITUTIONS XXXXXXXXXXXXXXXXXXXX

GLOBAL CONNECTIONS
(Dependence, Independence, Interdependence)

GENERALIZATION:

Economics helps us to understand the differences among nations of the world.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. understand disparities in consumption levels of different countries,
2. feel the poverty of third world countries,
3. use economic vocabulary to describe disparities.

STRATEGIES:

EXPERIENCE (Distribution of World Resources)

Materials: 37.4 candy bars, masking tape

Vocabulary:

distribution of world income--way in which the World Gross National Product is divided among countries

gross national product--(GNP)- A country's production of goods and services in a given period, usually a year.

Before the students come into the class, divide the room into segments representing major land areas of the world as shown in the chart below. (Large areas with little population are excluded such as Greenland and Austrailia). As students enter the room, have them draw a card with the names of a land area and go stand in that area. After the world is populated, either comfortably as in North America or Africa, or jammed together, as in Asia or Europe, begin a discussion of the statistics given below. Students must stay in their area - you may give students in North America a chair to intensify the sense of inequity.

Then unveil the world's Gross National Product: 37.4 candy bars neatly displayed on a tray (remember GNP does not represent food alone). Hand out the bars to students in the land areas according to its GNP (see chart below). Those of North America feast while the third world argues over its supply.

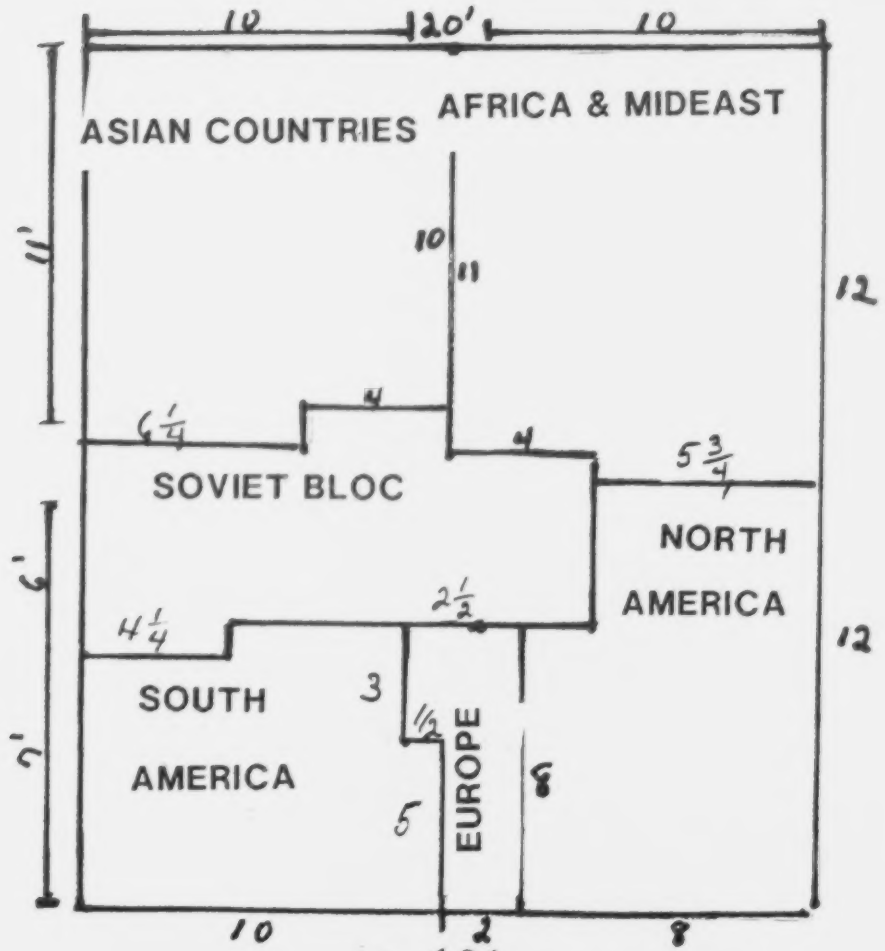
Let students express their reactions.
You can repeat using the year 2000 to show how population and GNP are expected to increase with the same disparities.

If your class has less than 40 students adjust population, square miles and GNP accordingly.

NOTE: This activity is based on Stanwood, Les, "The World and 37.4 Candy Bars", Comprehensive Educational Process, June, 1980.

LAND AREAS	Square Miles (1=1,000,000)	Population (1=100,000,000) 1975	2000	Gross National Product (1=100,000,000,000) 1975	2000
Asia	10.6	24	39	5.0	10.0
Africa & Mideast	11.6	3	8	1.0	1.5
Soviet Countries	8.6	3	4	5.0	12.0
South America	7.5	3	6	1.4	3.5
Europe	1.9	5	5	14.0	22.0
North America	7.6	2	3	11.0	20.0
Totals	47.8	40	65	37.4	69.0

CLASSROOM DESIGN



ANALYSIS (Standards of Living Around the World)

Materials: magazines

Vocabulary:

distribution of income--way in which the GNP is divided among people within a country

standard of living--the amount and quality of goods and services the average family in a nation can afford

---

Have students in groups of four or five prepare a chart of the goods and services the average family in the U.S. is likely to consume. Some of the student groups could do this for other countries as well.

Follow with a discussion of low and high standards of living compared to the average. Ask if the distribution of income affects levels of the standard of living. Why?

OTHER ACTIVITIES

A. Visits by Foreign Students
Have a foreign student talk about his/her country.

- OR -

B. Global Connections Quiz
Pose the following questions to the class having the students tell who the person is and locating the source on the map.

1. Who has traveled to a foreign country? When?
2. Who has a pen pal in another country? Where?
3. Who can speak in a foreign language? Where is the origin?
4. Who has a relative in a foreign country? Where?
5. Who has hosted a visitor from a foreign country? From where?
6. Who enjoys music from another country? Where?
7. Who knows a sports figure from another country? Where?
8. Who has a family car from another country? Where?
9. Who has a parent or other relative born in another country? Where?
10. Who learned something from another country recently? What country?

- OR -

C. Foreign Food Inventory
Have students identify foods from foreign lands in the grocery store which the "average family" consumes. They could price these items along with others to construct a balanced meal and figure the cost per person for the meal.

EVALUATION:

Students through simulation experience different standards of living.

GRADE SIX

XXXXXXXXXXXXXXXXXXXXXXXXXXX SCARCITY XXXXXXXXXXXXXXXXXXXXXXXXXX

PRODUCE WHAT?
(Global Resource Scarcity)

GENERALIZATION:

Students will understand the three basic economic questions which each society or group must answer: what to produce, how to produce and for whom to produce.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. explain economic influences affecting the three basic economic questions,

2. explain how economic values shape their own demand which is backed by the ability to pay,

3. verbalize the relationship of resource use to demand.

STRATEGIES:

EXPERIENCE (Economic Questions for All Societies)

Vocabulary:

for whom to produce--depends on who has the most income to spend on products

how to produce--depends on technology, cost of resources and their productivity

what to produce--depends on consumer demand

Magically transport your class to a desert island with nothing (not even their clothing): no eye glasses, no fillings in their teeth, no food, no shelter. Draw the island on the board. Draw a lagoon with fish in it and a coconut palm with coconuts growing very high up in the tree. These are natural resources.

Ask them WHAT they want to produce or have produced to get their island society going. Ask them which of the foods or what combination of foods they want to produce. Ask them HOW the foods can be produced (fish--with hands, with a net made of palm leaves, with bamboo poles, etc.; coconuts--by climbing the tree, by shaking the tree, by making a human pyramid to reach the fruit, etc.).

Ask them WHO will get the food and how much each will get. (Will the workers get all, or will everyone get some whether or not (s)he works? Will people with harder jobs get more than people with easier jobs? Review that these same decisions (WHAT, HOW, and FOR WHOM) are made by all groups of people (all societies). Emphasize that the way they make the decisions is connected with the type of economy they have, but that all economies make these decisions.

You could contrast the traditional way the Indians culture would have decided these questions with the way our modern market economy decides them. Third world countries have similar decision-making patterns to the Indian culture.

ANALYSIS (Auction in a Market Society)

Materials: play money, items to auction, (some should be items few will want, one item all will want, some popular, and some students are ambivalent towards) suggested items to include are a dull book, paper, pencil, 10 cups juice, and something associated with a popular performer.

Vocabulary:

consumer sovereignty--consumers by purchasing products or not purchasing products direct the use of resources

demand--the desire, willingness and ability to pay for a product or the amount of goods and services that buyers are willing to purchase at various prices at a given time.

Give students unequal amounts of play money (you can just pass it out or have students earn it by doing chores in the classroom). Place in front of the class a table containing items you will auction off to them for the play money.

Have one student record the sale item and its price when sold on the blackboard. This student can be rewarded with some object from the table.

Tell the class they must bid for the items they want. Allow them to preview the items before the auction begins.

Start the auction. Some students may join together to outbid others for an item. Arrange the order of the auction to illustrate supply and demand principles. Start with a few of the less popular items, then on to more popular and most popular ending with the juice.

Debrief the auction by analyzing why articles sold as they did. For example:

* a large supply of an item may sell for high prices if popular as the demand will be great (juice or candy bars).
* some people may not bid high even if they desire the item because they may have run out of money-demand must be backed by money.
* a small supply of a popular item creates a high price as demand is great (the principle of antiques).
* some items may bring a low price because people already have an ample supply (paper, pencils).
* consumer sovereignty can be illustrated by pointing out that items selling for a high price may cause a shift of resources to produce more of the popular items.
* point out if the auction was done again, a different set of prices would occur.

OTHER ACTIVITIES

A. Signaling What to Produce
Make a chart or poster, "How Children Tell Our Businesses What To Produce." It should say something like this -

The children wanted more bubble gum, so
They spent more money on bubble gum, so
The price of bubble gum went up, so
Gummaking became more profitable than before, so
Gum manufacturing companies wanted to make more gum, so
They needed more gum-makers, so
The wages of gum-makers tended to go up, so
More people became bubble gum makers, so
More bubble gum was produced, and
When there was enough gum for the children to buy,
The price of bubble gum didn't go up any more.

Make another one that begins, "The Children Decided That They Hated Ice Cream, so...."

- OR -

B. Determining What to Produce
Introduce the idea of having a production process in the classroom. Have the students explore ways they could decide <u>what</u> to produce (survey, observe what is selling well, something they like to do, something someone tells them to make, etc), and <u>how</u> to produce (lots of labor and little capital, specialization of labor, lots of machinery and little labor, etc.). Then ask <u>for whom</u> are they producing, how are they going to decide who will get the products (people with money who will pay for it, give it away according to need, give it only to older people or those with blue eyes, etc.) Point out that wages paid for producing the good are incomes that people use to buy other goods: those earning the largest incomes have more control over what is produced in the economy.

- OR -

C. How Different Societies Determine What to Produce
Have students write a paper on the three basic economic questions indicating how different societies might answer these questions, e.g., market economy(USA), traditional economy(Third World) or planned economy(USSR).

EVALUATION:

Students know that prices indicate scarcity-the higher the price, the greater the scarcity. To deal with scarcity, societies should use resources wisely by answering the three basic economic questions. Different economic systems answer these questions in different ways consistent with their values.

GRADE SIX

XXXXXXXXXXXXXXXXXXXXXXXXX DECISION-MAKING XXXXXXXXXXXXXXXXXXXXXXX

MEETING GOALS
(Cultural Priorities and Practices)

GENERALIZATION:

Different societies have different value structures and thus use resources in different ways to meet their goals.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. describe the wants of different societies,
2. appreciate the relative nature of resources,
3. use choice making in economics to describe the problem of prioritizing goals under different cultural conditions.

STRATEGIES:

EXPERIENCE (Economic Goals of Various Societies)

Materials: Resource Alternatives worksheet (See Appendix I)

Vocabulary:

market economy--decisions are made by individual

planned economy--decisions are made by a control group

traditional economy--decisions are made in accordance with how things have been done in the past

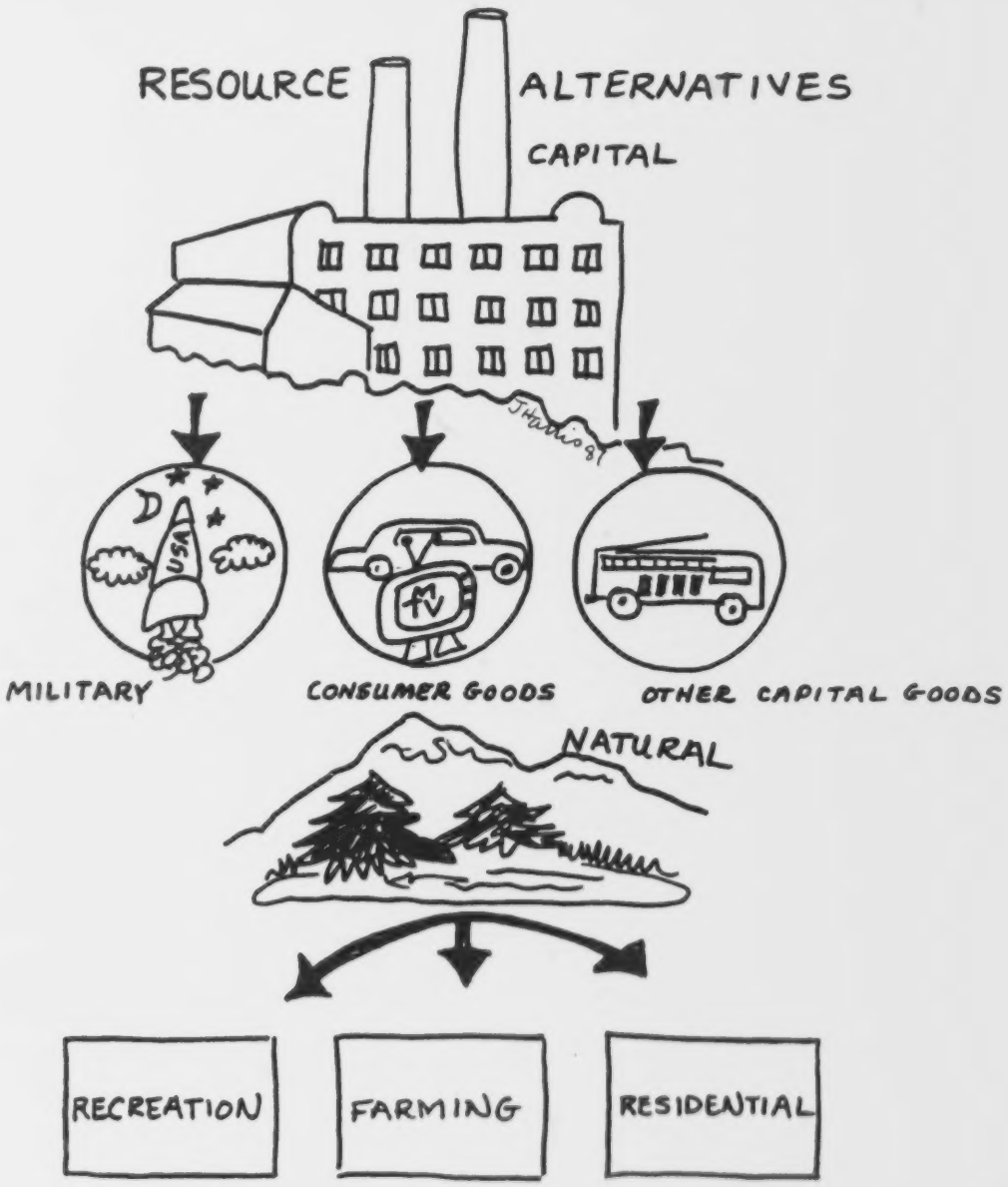
---

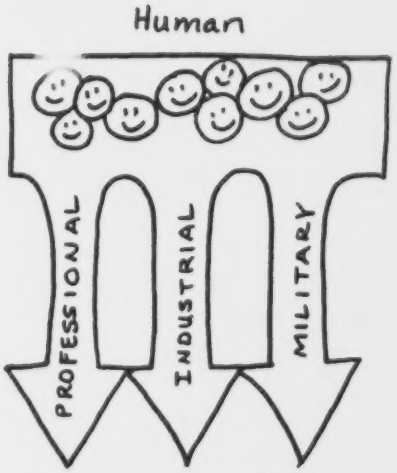
Draw three circles on the board and label them third world, USA and USSR. Fill in the circles with wants each of the societies have as identified by the students.
Compare and contrast the circles of wants.

Then indicate that goals exist for all societies, such as stability, freedom, efficiency, security and justice. Ask students which goal would probably be most important for a traditional society-third world nations (security), a market economy - the U.S.A. (efficiency) and a planned economy - the USSR (stability). Indicate that societies often trade-off goals such as some freedom for more security.

Finally, pass out copies of the RESOURCE ALTERNATIVES WORKSHEET and explain that it shows different ways the factors of production can be used to meet societies goals. Have the students discuss how the, traditional, market and planned economies would prioritize the use of their resources.

APPENDIX I


RESOURCE
ALTERNATIVES
CAPITAL
MILITARY
CONSUMER GOODS
OTHER CAPITAL GOODS
NATURAL
RECREATION
FARMING
RESIDENTIAL


Human
PROFESSIONAL
INDUSTRIAL
MILITARY

ANALYSIS (Resource Alternatives and Priorities)

Materials: Establishing Priorities worksheet (See Appendix II), a bottle of cola (opt)

Vocabulary:

productive resource--the factors of production-natural resources, labor, capital- used to produce goods and services

---

Place a bottle of cola in front of the class.

Ask students to write about the structure and function of the bottle filled with cola, fresh from the supermarket. Then ask how, in emergency situation, the bottle might be used to:

- Light a fire
- Clean a fish
- As a weapon
- To send a message

Ask the students:

a. How does the cola bottle fit our definition of a productive economic resource?

b. For what purpose would you use the bottle to light a fire? to clean a fish? to send a message? as a weapon?

c. Does the purpose (goal) you want to fulfill determine how to use resources?

d. Are most resources capable of being used in different ways? Are some resources non-productive?

Next pass out the ESTABLISHING PRIORITIES WORKSHEET. Have students rank their choices.

Summarize the choices on the blackboard and discuss the type of goals the class feels are important for society. Why could we not accomplish all the goals? (some may conflict and because of scarcity, there are not enough resources to do everything.)

APPENDIX II

ESTABLISHING PRIORITIES

Rank the items in each category from 1 to 10, "1" showing most important and highest priority, "10" showing least important and lowest priority.

National

_____ A strong military defense system
_____ A clean environment
_____ Elimination of poverty in the U.S.
_____ Free education through college
_____ Inexpensive medical care available for everyone
_____ Reduction and elimination of crime
_____ Improved public transportation systems
_____ Space exploration programs
_____ Income security for everyone, with jobs for all
_____ Elimination of racism and discrimination

International

_____ Slowing or stabilizing world population growth
_____ Reducing the risk of war between nations
_____ Maintaining clean air and water around the world
_____ Reducing hunger and famine in developing countries
_____ Raising world living standards
_____ Making a high school education available to all
_____ Reducing nuclear weapons
_____ Cooperating on global problems such as drug traffic and airplane hijacking
_____ Developing and utilizing the world's natural resources, including the oceans, on a more equitable basis
_____ Agreeing on the use of the seas and their resources

OTHER ACTIVITIES

A. Looking at Personal Goals
Have students write an essay on the goal they value the most. Have them express why it is so important, how resources should be used to meet the goal and from what other use (uses) would they take resources in order to meet their goal.

- OR -

B. Looking at Social Goals
Have students watch a TV program, such as the Cosby Show and describe the values stressed in the program and show resources are directed to meet those values.

- OR -

C. Looking at Organizational Goals
Have students attend a community meeting or club meeting and afterward describe to the class the goals expressed at the meeting. How were resources to be used to meet those goals?

EVALUATION:

Students make choices and decisions based on a valued ordering of priorities. The heart of economics is choosing among alternatives which represent a variety of goals. These goals are often competing and a choice of one often involves the trade off with others.

GRADE SIX

XXXXXXXXXXXXXXXXXX SPECIALIZATION AND EXCHANGE XXXXXXXXXXXXXXXXXX

MONEY, MONEY, MONEY
(Medium, Message, Standard, Store)

GENERALIZATION:

Money has several functions and what is used as money depends on what society feels will best serve those functions at a given time.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. define money and distinguish between its various structures and its essential function,
2. describe how the use of money facilitates economic decision making,
3. demonstrate how money accounts help to organize economic transactions.

STRATEGIES:

EXPERIENCE (The Structure and Function of Money)

Materials: a dollar bill, a blank check

Vocabulary:

money--dollars, coins, and demand deposits in the U.S.A. today; other cultures have used other items; anything acceptable as a medium of exchange

medium of exchange--the most important function of money; that which defines an item as money

standard of value (unit of account)--one of the functions of money helping to make a sound monetary system ,whereby the value of goods and services are expressed in money terms (prices)

store of value--one of the functions of money helping to create a sound monetary system. This function allows savings to occur

---

Write the following definition on the board:
Money is a generally accepted medium of exchange. In the U.S., money consists of coins, paper currency and demand deposits. Demand deposits (checking accounts) constitute approximately 75 percent of the U.S. money supply.

Hold up a dollar bill and ask students to use the definition to describe why the dollar bill is money. (Explore the notion of "generally accepted medium of exchange" by asking if torn-up bits of paper can be used to purchase goods and services? You might examine the dollar more closely and see that the words, "This note is legal tender for all debts, public and private", are written on the bill.)

People must accept the dollar bill in payment for debts, yet the words would have little meaning unless people had faith that their government stands behind its money.

Hold up a blank check and ask students to use the same definition to explore if the check fits the definition of money. Explore the notion of "generally accepted" by using the blank check to attempt to purchase something of value from one of the students. In this transaction, the student should be willing to accept the check only if the student's name is written on the check, the dollar value of the good or service is recorded, and the check is signed. To follow through on the "generally accepted" aspects of the definition, ask students to relate their personal experiences with checks and how they served the function of being a medium of exchange.

In exploring both currency and demand deposits as units of account or standards of value, discuss the problem of divisibility of goods and services and the notion that measuring value by money standards helps buyers and sellers determine the value of what is traded. In exploring money as a store of value, explain that money can be accumulated on your person or be held in a checking account. Because money can be readily exchanged for goods and services, money can be a store of value in the same way that goods and services are a store of wealth.

ANALYSIS (Money Over Time and Space)

Materials: Money worksheets (See Appendix III)

Vocabulary:

near money--things which can be changed into money proper

Pass out the MONEY WORKSHEETS, Have students work in groups of three.

Explain that students are to make three choices about ten examples of money used over recorded history. The <u>first</u> choice is whether the example is money or near money. The <u>second</u> choice is whether the example is a good or poor standard of value. The <u>third</u> choice is whether the example is a good or poor store of value.

Read the situations and have students make the three choices required of each. The authority to the first question are the definitions of money and near money. The second and third are judgment calls because of the word "best". Have students argue their point but not to the extent that it hinders learning.

Discuss the answers as a class.

APPENDIX III

Situation I

I'm a modern consumer who has a checking account at a commercial bank. I use checks to exchange for the things that I want.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation II

I'm an American Indian living before the Europeans settled this continent. I use cowry shells to exchange for the things I want. These cowry shells are small and can be strung together and also worn for decoration.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation III

I'm a Mountain Man in the last quarter of the 18th Century. When the rendezvous took place, I used beaver skins to trade for the things I wanted.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation IV

I'm a Yap Islander living in the second quarter of the 20th Century. My wealth consists of large wheel-shaped stones which vary in size from a diameter of ten inches to 12 feet. The value of these stones depends on their size, difficulty to produce, and the artistic nature of their design.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation V

I'm a modern consumer who has a number of standard credit cards I use for purchasing the things I want.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation VI

I'm an American prisoner of war in a German prisoner-of-war camp. The American prisoners in the camp use cigarettes which they exchange for the goods and services available to them.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation VII

I'm a student in the public school system. The work credit sheets I get for doing classroom chores can be accumulated and exchanged for goods from the school store.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation VIII

I'm a modern counterfeiter, who, when I'm not in jail, prints the currency I need to exchange for goods and services.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation IX

I'm a collector of sorts and I have a number of Bicentennial medallions made of gold which have value.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

Situation X

I'm an investor who has accumulated numerous stocks and bonds which have value.

A. Money Near Money

B. Standard of Value (Good Bad)

C. Store of Value (Good Bad)

APPENDIX III

Situation I

I'm a modern consumer who has a checking account at a commercial bank. I use checks to exchange for the things that I want.

answers:

A. Money. (Checks are accepted as money because they are generally accepted in exchange for trade items.)
B. A good standard of value. (Because the accounting system used in writing checks is based on the dollar unit demand deposits are a good unit of account and standard of value.)
C. A good store of value. (Because a checking account can be readily converted to other forms of wealth, the account is a good store of value.)

Situation II

I'm an American Indian living before the Europeans settled this continent. I use cowry shells to exchange for the things I want. These cowry shells are small and can be strung together and also worn for decoration.

answers:

A. Money. (Cowry shells were used as a medium of exchange within and between tribes of American Indians. The Indians called the money wampum.)
B. A good standard of value. (The shells were of generally uniform size and they could be easily counted. This permitted the Indian to determine values of goods and services by the number of cowry shells they represented.)
C. A good store of value. (The strings of shells did act as a store of value; in fact, the Indian money was worn around the neck to demonstrate wealth.)

Situation III

I'm a Mountain Man in the last quarter of the 18th Century. When the rendezvous took place, I used beaver skins to trade for the things I wanted.

answers:

A. Near money. (Beaver skins represented a barter exchange rather than a money exchange. The skins gathered over the winter were commodities that were traded for traps, liquor, salt, etc., but the skins were not generally accepted as a medium of exchange in the rendezvous themselves, or by society as a whole.)
B. A good example of standard of value. (Beaver skins

could be counted and were relatively uniform in size, shape, and value. The trade goods brought to the rendezvous were measured by specific numbers of skins. In fact, the skins of lesser animals were measured as fractions of single beaver skins

C. A poor example of store of value. (This is a case where students could be correct with either answer. The skins deteriorated over time, and unless the skins were traded at the rendezvous, the trapper could hardly convert them to other forms of wealth. On the other side of the argument, beaver skins did accumulate and at least during the year they were trapped they did represent the store of wealth accumulated by the trapper.)

Situation IV

I'm a Yap Islander living in the second quarter of the 20th Century. My wealth consists of large wheel-shaped stones which vary in size from a diameter of ten inches to 12 feet. The value of these stones depends on their size, difficulty to produce, and the artistic nature of their design.

answer:

A. Near Money. (The mere bulk of the stones would prevent their use as a medium of exchange although their value was recognized by the Yap culture.)

B. Poor example of a standard of value. (The variability of size, production, time and artistry would severely limit their use as a standard of value or unit of account.)

C. A good store of value. (They demonstrated the wealth of the people who owned them.)

Situation V

I'm a modern consumer who has a number of standard credit cards I use for purchasing the things I want.

Answer:

A. Near money. (Although many retail establishments accept credit cards, they are not generally accepted as a medium of exchange. Only establishments which have agreements with the credit card companies are able to use them as a mediun of exchange. Individuals not associated with participating firms would typically not accept credit cards in payment of debts owed. Individuals without credit would also be restricted to their use.)

B. Good example of standard of value. (The credit card accounting is based on dollar values, thus would be a good standard of value.)

C. Poor example of store of value. Credit cards are not based on a demand deposit which represents a store of value. Credit cards do represent limits of borrowing capacity which may or may not be based on accumulated wealth.

Situation VI

I'm an American prisoner of war in a German prisoner-of-war camp. The American prisoners in the camp use cigarettes which they exchange for the goods and services available to them.

answer:

A. Money. (The cigarettes were money because they were generally accepted by the prisoners in exchange for goods and services.)
B. Good standard of value. (The cigarettes were uniform in size and could be counted.)
C. Poor example of store of value. (This is another case that could be argued on both sides. Prisoners could store cigarettes but they would become stale and less desirable over time. The interesting thing is that cigarettes were also a commodity that was consumed. As the "money" was smoked, the value of the store of cigarettes varied.)

Situation VII

I'm a student in the public school system. The work credit sheets I get for doing classroom chores can be accumulated and exchanged for goods from the school store.

Answers:

A. Money. (If the credit sheets are generally accepted in the school society for scarce items, the sheets would be money. This would not be true in the society outside the school.)
B. Good example of standard of value. (This is another answer that depends on the example students give. If the credit sheets are calculated on a money value, it would be a good unit of account. If it is based on a time accounting system or some other standard of values, it may not be as good an example.)
C. Good example of store of value. (This would depend on the student answer, but it would represent a good store of value particularly if the credit sheets could be saved and also be readily converted to goods in the school store.)

Situation VIII

I'm a modern counterfeiter, who, when I'm not in jail, prints the currency I need to exchange for goods and services.

Answers:

A. Money. (Because it is designed to function like real currency and will serve as a medium of exchange until people find out it's bad money.)
B. Good standard of value. (As long as it is accepted.)

C. Good store of value. (As long as it is accepted.)

Situation IX

I'm a collector of sorts and I have a number of Bicentennial medallions made of gold which have value.

Answers:

A. Near money. (Only the U.S. government can mint coins, so medallions would not be legally regarded as a medium of exchange. Even though the medallions could be exchanged, they would be sold as a commodity rather than be used as a medium of exchange. There is also a question whether they would be generally acceptable.)
B. Good standard of value. (The gold in the medallions could be measured by weight and assigned a dollar value. Whether this makes them a good standard of value is open to discussion.)
C. Good store of value. (Most people believe gold is a good store of value. It depends on the confidence people have in paper currency.

Situation X

I'm an investor who has accumulated numerous stocks and bonds which have value.

Answers:

A. Near money. (Stocks and bonds are considered assets which can be easily converted to currency but they are not generally accepted as a medium of exchange.)
B. Good standard of value. (Because they are computed on dollar units of account.)
C. Good store of value. (They represent a fairly liquid asset which can be converted to currency.)

OTHER ACTIVITIES

A. The Characteristics of Money
Explore the notion that money is less valuable for itself (i.e., as a commodity) than it is as a medium of exchange or store of value. It is worth more if you exchange it or save it than the paper and ink of which it is made. Would it make any difference if our money were blue instead of green?

- OR -

B. Money in Different Societies
Have students research whether other economies than market economies have money, e.g., third world countries, soviet bloc countries. Have them explain what functions money performs in these countries.

- OR -

C. A Money-Bartar Experiment
Do a field experiment. The teacher asks some or all of her students to go to a store with a one-dollar bill and some other items worth a dollar (but not a dollar bill). Each student then tries to purchase something worth one dollar but says to the storekeeper. "I can pay you with this dollar bill or with this other item worth one dollar. Which one do you want?" Once the storekeeper has made his/her choice, the student should ask the reason for that choice.

The teacher may subsequently raise the following questions:

* What choice did each shopkeeper make?
* What reasons did they give for their choices? It should be emphasized that the reason for most store owners choosing money was their belief or faith that other individuals would be more likely to accept the money than the product in exchange for the possible goods and services desired by the storekeeper.

EVALUATION:

Students should have a basic definition of the concept money, but they should recognize that people have used different things to represent money over time and in different places. Students should also recognize that governments can expand or contract the definition of money as long as people are clear what that definition is.

GRADE SIX

XXXXXXXXXXXXXXXXXXXXXXX ECONOMIC SYSTEMS XXXXXXXXXXXXXXXXXXXXXX

INTERDEPENDENCE
(Trade and the Economy)

GENERALIZATION:

Students will understand that in the attempt to use resources more efficiently to abate scarcity, nations of the world trade goods and services and as a result become interdependent.

OBJECTIVES:

By the conclusion of the activity, students will be able to:

1. explain how productive resources are used to make goods that satisfy human wants,
2. describe how efficiency results from specializing in production, from the division of labor, and from trade,
3. use economic vocabulary to discuss world trade.

STRATEGIES:

EXPERIENCE (The Price of Foreign Currency)

Materials: newspapers (financial section)

Vocabulary:

exchange rates--the price of a foreign currency in terms of a domestic currency

international market--place where buyers and sellers from different countries buy and sell goods and services

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Have students look in the financial section of a newspaper to find the price of British pounds, French francs, Spanish pesatas and Mexican pesos in dollars, i.e., how many of these foreign currencies can we buy for a dollar or how many dollars does it cost to get one of the foreign pieces of currency.

Ask students why the foreign currencies have different values in terms of the dollar, indeed why might the price in dollars change from day to day for the same foreign currency? (It is because supply and demand determine the exchange rate just as supply and demand determine the price of other goods and services. The exchange rate market is essentially an auction market where buyers and sellers of currency bid for each others money. How much currency is demanded depends on how many goods and services we want to buy from foreign countries at a given time.)

ANALYSIS (Artic Survival Game)

Materials: Artic Survival forms (See Appendix IV), lots of white and yellow paper, easily cut cloth, 5 compasses, 10 rulers, 7 pencils, 3 scissors, 3 felt markers, 2 staplers and 2 green crayons.

Vocabulary:

efficiency--the production of as many goods and services as possible for the fewest possible resources

interdependence--relience of people on each other to get whatever they do not produce themselves.

This activity should be done as 3 separate rounds.

ROUND ONE

The purpose of the first day's activity is to have the students experience the difficulty of producion a large quantity of goods with limited resources in a limited time. Most or all the students will be unable to do so and will therefore end Round 1 with feelings of frustration. Establish the mood for the activity by telling the class that they are lost on an Arctic island with little hope of rescue, and that the goal is that every student be able to survive, or remain in this community. Pass out the RULES FOR ARCTIC SURVIVAL. Have students read the handout. Then go over it with them. Post the FISH, IGLOO AND PONCHO DRAWINGS on the wall in a convenient place for students to get to.

Ask:

a. What basic needs must you satisfy in order to survive? (Food, clothing, and shelter.)
b. What need does the fish model represent? (Food.)
c. What need does the igloo model represent? (Shelter.)
d. What need does the poncho model represent? (Clothing.)

Explain to the class that in order for all to survive, or remain in the community, they must produce one of each type of basic need for each class member within 15 minutes (you may wish to allow 20 minutes), i.e., for a class of 24, they must produce 24 fish, 24 igloos, and 24 ponchos. Failure to produce this amount of each item will mean death or moving from the community for as many students as there is a shortage of any item.

Make sure the tools are distributed around the room and marked in some way so that students cannot readily introduce

extra tools. Tell students not to break pencils in two in order to increase the supply and that you will confiscate any that are so broken.

Tell the students to begin. At this point, the role of the teacher is that of a police officer charged with enforcing the rules. Be sympathetic and encourage those students who are slow starters or who try to give up. If students have questions, answer them one at a time and don't hurry, so as to make questions expensive in terms of lost production time. This helps them to feel the desperateness of their situation.

If the whole activity breaks down because of the students' frustration or awareness of having no hope of completing the task, stop immediately. At the end of Round 1 collect all the materials and equipment and make sure everything is accounted for. Destroy any partially completed reproductions.

ROUND TWO

The purpose of the second part of this activity is for the class to develop group cooperation and the idea of division of labor.

Begin with a review of the efforts made during Round One and congratulate students who managed to survive, i.e., complete all three reproductions (perhaps none did).

Tell the students that today they get a second chance to do better under the same conditions. They will be given the same amount of time and the same equipment and resources. They will, however, first have a maximum of 15 minutes to discuss the problem as a class to see if they can work out better solutions. At this point, the teacher should retreat from a position of dominance and make it clear that the students will have to work out their own solutions.

There is usually a minute or two of awkward silence but eventually every class responds. Note how decisions begin to be made. This is one of the most interesting periods in the simulation, for the group must determine whether decisions are going to be made on a democratic basis or whether it will follow the lead of a strong group or individual who makes decisions and gives orders. Every class seems to eventually organize itself into three groups--each producing one item.

Further specialization develops if the groups are organized so that each individual does just one step in the production process. Toward the end of the 15-minute planning period things become frantic as each group decides what resources it is going to need to complete its task and starts to

negotiate with other groups for these items. If a group is well organized, everyone will have an important role to play and the resources to accomplish it. This is why it is important that there be a sufficient but not an abundant supply of resources and tools from the beginning. Some students can be efficiently employed as transporters of the finished goods to the teacher for approval and credit.

After 15 minutes, let them have the materials and begin a 20-minute production period.

Everyone is usually much busier and happier during this round. The teacher's main task is to keep a running total of approved units which have been produced. These units begin to flood in after the first 10 minutes of the round and things become wild as the end of the production period approaches. When the 20 minutes are up, collect the materials and equipment and tally the scores.

ROUND THREE

Question the students to help them relate the simulation to economics. Questions that might be asked are:

a. What problems did you or your group face during Round One of the simulation?

Students will point out that there was a lack of paper, tools, and time, thereby preventing them from producing enough to satisfy their basic needs for survival. Use their observations to introduce the problem caused by the abundance of human needs or wants compared to the limited means society has available to satisfy them-in other words, scarcity, a concept central to the study of economics.

b. Specifically, what did you need if you were to survive?

Students will say that they needed paper, pencils, and rulers, etc.-economic resources. Go on to name the three categories of resources or factors of production-natural, human, and capital. Interestingly enough, students often overlook human resources (their own labor) as a factor of production necessary for survival in the game.

The materials and equipment used in the simulation should be related to the categories of natural resources(the paper and cloth-which are, at bottom, products of the land) and capital (rulers, compasses, pencils, etc.). Students no doubt found that some systematic organization of production was also necessary, a discovery that helps reveal why societies develop economic systems in order to survive.

c. Explain how you organized yourselves in Round Two in such a way as to greatly increase production.

From the students' responses to this question you can develop some of the basic characteristics of economic organization in modern economies: division of labor, interdependence, and trade. How did you decide what groups to form and what task each individual in the group would do? This question leads to a discussion of the decision-making process.

d. What basic problem did you try to solve during the planning period prior to Round Two?

Students should easily comprehend that they were trying to determline how they could most efficiently produce the food, clothing, and shelter they needed to survive.

e. What are the three basic economic questions any economic system must solve before it can solve the problem of survival?

Students should name:

*. What to produce-in this case determined arbitrarily by the simulation which forced the production of fish, ponchos, and igloos regardless of whether students may, for example, have preferred meat, raincoats, and tents.

*. How to produce goods-determined during the 15-minute planning session.

*. The third economic question-for whom goods are to be produced-is one that students never deal with during the planning period. It never seems to occur to them and even if it did the shortness of the planning period would probably prevent them from arriving at a conclusion. Bringing up the issue leads to interesting discussions. Assume that in Round Two our hypothetical class of 24 was able to produce the following units.

Food	Clothing	Shelter
34	16	24

How many students survive or remain in the community? Eventually they will see that since every survivor needed at least 1 unit of each, only 16 out of the 24 students will survive in the community. Then comes the crunch which 16?

In this way you can raise-in the acutest possible form-the question of how the goods produced should be distributed, which is one of the most important (and sometimes most perplexing) questions in economics. A moment's thought will reveal that by asking who shall get the products one is asking a harder question yet: Who shall

die or who has to leave the community? Students propose various alternatives. Some of them are:

By drawing lots;
By survival of the strongest of fittest;
By exiling the weakest;
By exiling the clothing-makers (who failed to meet the class's needs).

APPENDIX IV

RULES FOR
ARCTIC SURVIVAL

SETTING: The class has been lost on an Arctic island with little hope of rescue. Your individual goal is to survive.

PROCEDURES AND RULES

1. You will each be required to produce one of each of the three types of basic goods corresponding to the model sheets that have been posted in the classroom.

2. Your reproductions from the models must be exact in every detail. No tracing of the models is allowed. The teacher may require you to improve any inexact reproduction or tear it up and tell you to start over and make another one. Use cloth to make the poncho model and paper to make the fish and the igloo.

3. When you complete a reproduction, hand it in to the teacher immediately in order to earn credit for it.

4. You may use only the equipment and materials your teacher supplies to you, and you must not talk with other students until allowed to by the teacher. No extra pencils, etc., are permitted. You may not break the pencils in half.

5. Because some of the tools you will be using, especially the compasses, are potentially dangerous, no roughhousing will be allowed.

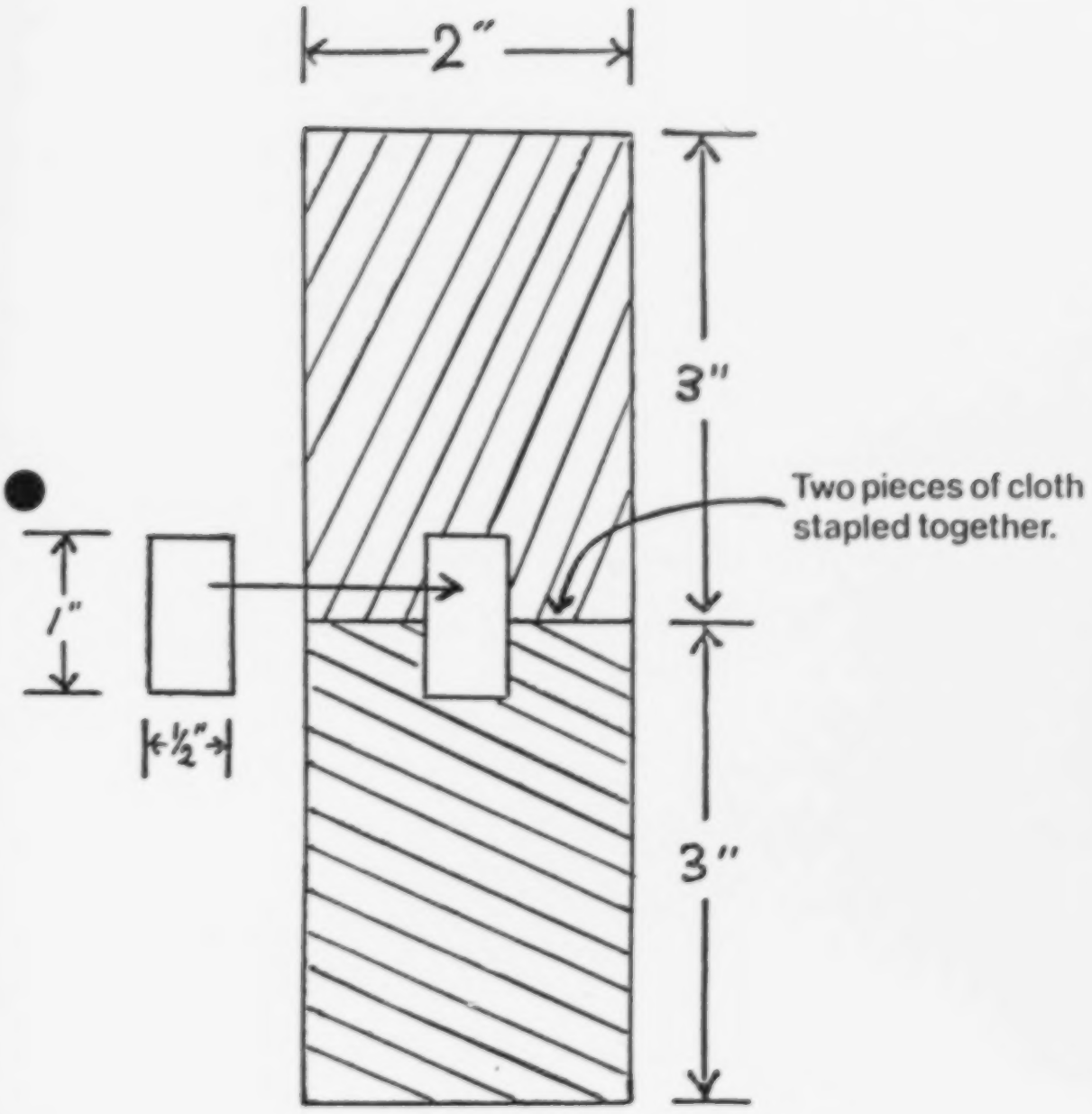
6. If you have any questions, the teacher will answer them for you individually. However, by asking questions you will be losing valuable production time.

7. The time limit for the task is 15 minutes, or 20 minutes, as the teacher specifies.

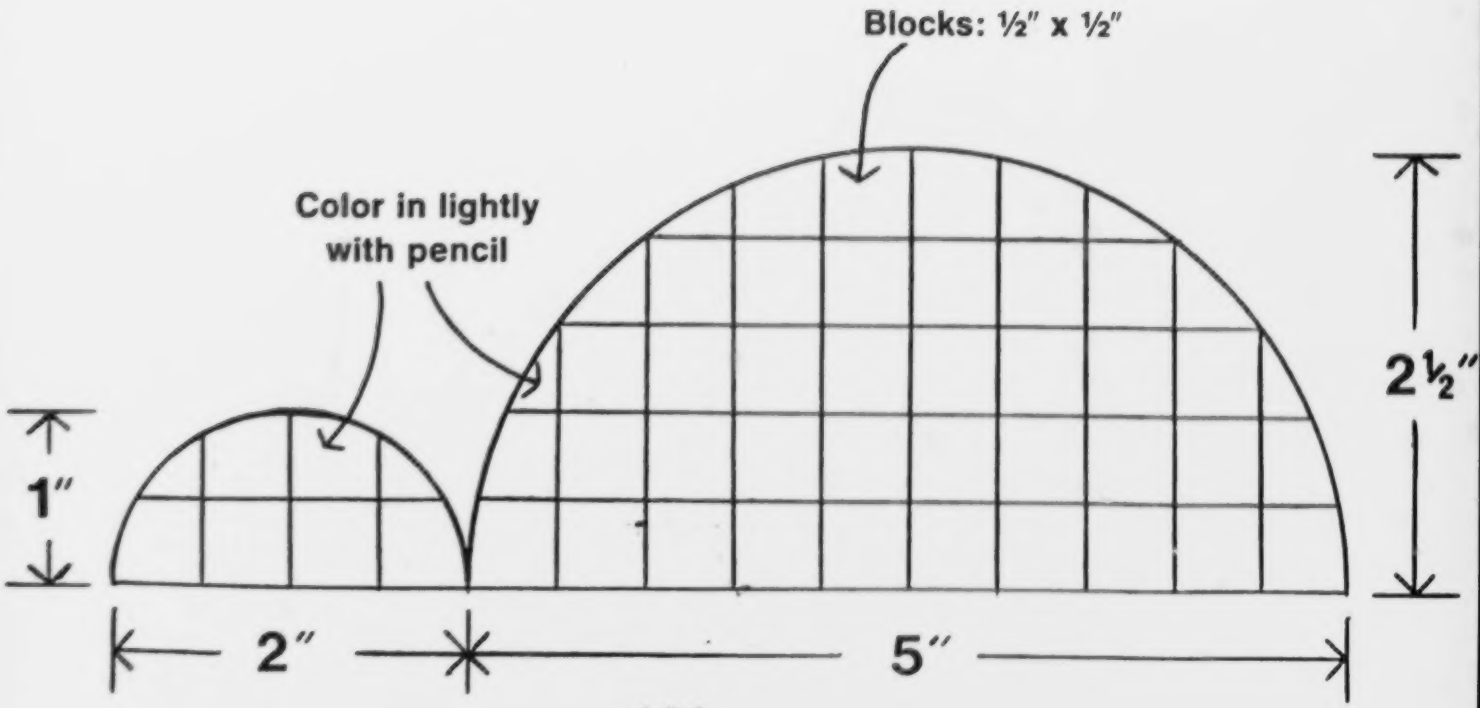
8. At the end of the alloted time, turn in materials, equipment, and partially completed reproductions to the teacher.

From Master Curriculum Guide for the Nation's Schools, Part II, Strategies for Teaching Economics: Junior High School Level (Grades 7-9), 1981. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036.

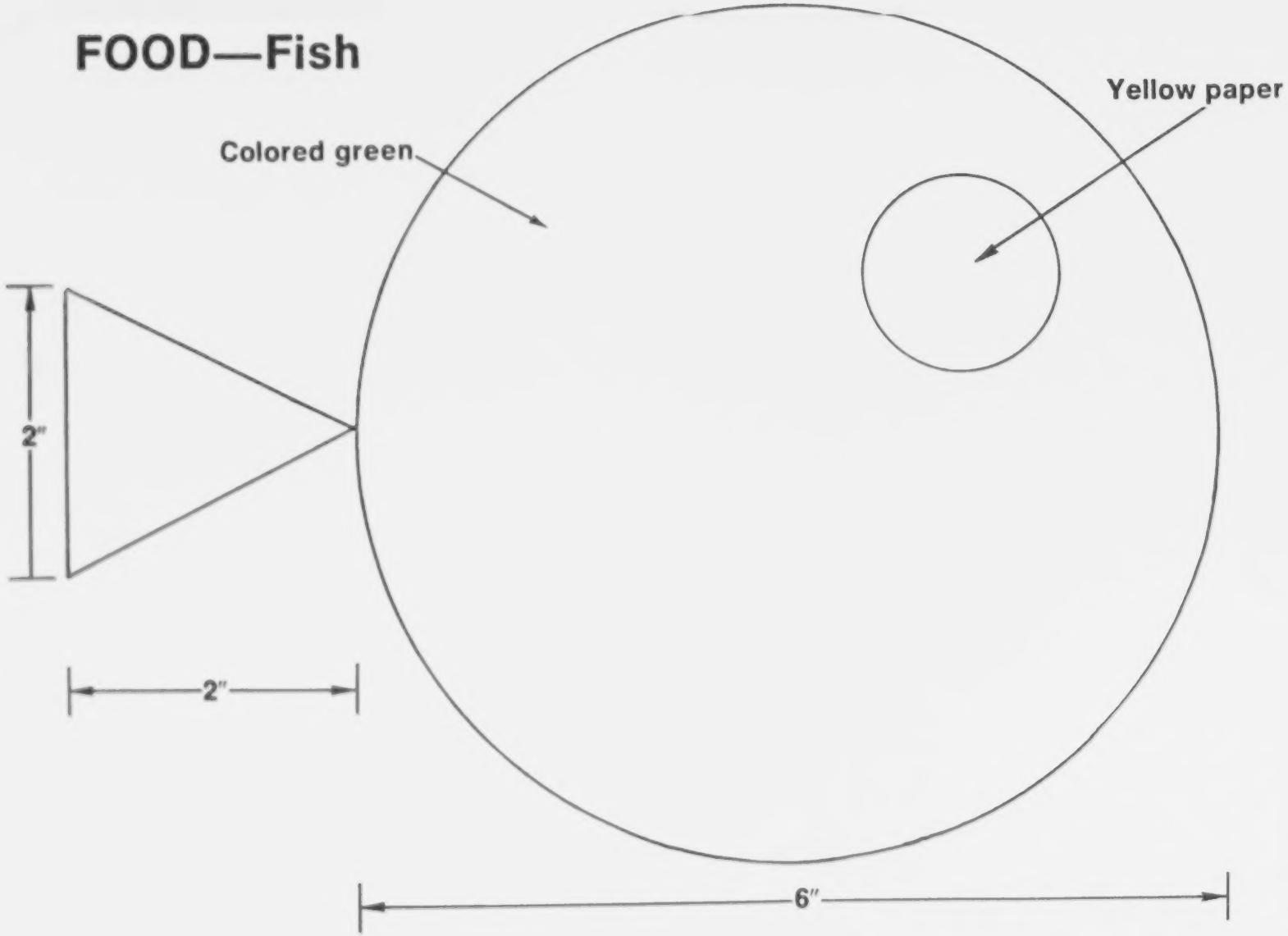
CLOTHING—Poncho



SHELTER—Igloo



FOOD—Fish



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OTHER ACTIVITIES

A. Alternative Uses for Resources
For whom goods and services are produced is one of the most perplexing questions in economics. If we produce for one area of the economy then resources are not available for another. Discuss with students the implications of using resources for:

* heart transplants rather than advertisements against smoking
* more jail space rather than job programs
* law enforcement against drunk driving rather than alcohol treatment centers

- OR -

B. Foreign Products in American Markets
Have students visit a grocery store and list as many goods as they can from other parts of the world. They could also plan different meals for different countries and calculate the cost in the foreign currency. Then have students discuss different types of markets, i.e., international, auction, national, local, regional, resource and product. How do they differ and how are they similar? Can they name a good or service for each type of market?

- OR -

C. Domestic and International Trade
Have students develop a circular flow diagram (like the ones taught in earlier grades) which relates international trade to the domestic economy.

EVALUATION:

Students will know that interdependence refers to the relations among people, businesses, regions, or countries that make the existence or actions of one necesary to the well-being of the other. It necessitates trade creating different types of markets.

XXXXXXXXXXXXXXXXXX SUPPLEMENTAL RESOURCES XXXXXXXXXXXXXXXXXX

The Baseball Game

Game, $5.00. Uses buying and selling baseballs to teach about supply and demand, price and inflation. Includes buyers' and sellers' cards(enough for whole class to participate), score sheet and game directions. May need to be used more than once before students understand concepts. No teacher's guide. 1976.

Figgie International
Economic Education Department
1000 Virginia Center Parkway
Richmond, VA 23295

The Elementary Economist

Newsletter. 12pp. $15.00 subscription. Contains tested classroom units written by teachers, designed to bring economic themes into the elementary classroom. Includes objectives and activities for each unit as well as drawings and samples of games. Published fall, winter and spring.

Joint Council on Economic Education
2 Park Avenue
New York, NY 10016

Trade-Offs

Available in two formats: videocassettes and 16mm color films. (Videocassettes free loan from the Oregon Council on Economic Education) of $150 per title for videocassette; $300 per title for film. Using dramatization and special visuals, each of the fifteen programs illustrates a fundamental economic choice. Emphasizes economic principles and reasoning processes and introduces unresolved problems to stimulate discussion and follow-up activities. TEACHER'S GUIDE includes objectives, program summaries, discussion questions and activities. Lesson titles most suited for grade six are:

7. Does It Pay? (investment in capital goods)
8. Learning and Earning (investment in human goods)
10. To Buy or Not to Buy (Buyers and market demand)
11. To Sell or Not to Sell (sellers and market supply)
12. At What Price? (market clearing prices)

Agency for Instructional Television
Box A
Bloomington, IN 47401

What's the Difference?

Poster, 17"x22", free. Illustrates, in chart form, the amount of work time requird to buy common items in five countries(USA, USSR, UK, France and West Germany). TEACHER'S GUIDE includes background information and activities comparing communistic, socialistic and capitalistic economic systems. Frequently updated. 1982.

National Federation of Independent
Business Research and Education Foundation
150 West 20th Avenue
San Mateo, CA 94403